

Approved: 1-22-07
Date

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on January 18, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Hank Avila, Kansas Legislative Research Department
Jason Long, Revisor of Statutes
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Caleb Asher, Ks. Dept. of Commerce
Rae Anne Davis, Ks. Dept. of Commerce

The Chair introduced Caleb Asher who gave a power point presentation of the Update of Brand Image Campaign, "Kansas, as big as you think". (Attachment 1).

Questions and answers followed.

Rae Anne Davis spoke to the Committee regarding the Workforce Development Division Overview. (Attachment 2).

Questions and answers followed.

The meeting was adjourned at 4:20. The next meeting is scheduled for Monday, January 22, 2007.

Update on Brand Image Campaign
Kansas, as big as you think

The Kansas Brand Image:

- Builds pride among Kansans about how our wide open spaces allow us to dream and make big things happen.
- Encourages tourists to create their own big adventure.
- Attracts innovative businesses to think big in Kansas.
- Enables Kansas communities, businesses, and other organizations to effectively leverage and extend the campaign for their own specific needs at no charge to them through the Brand Toolkit.

Economic Development & Tourism

Date: 1-18-07

Attachment # 1-1

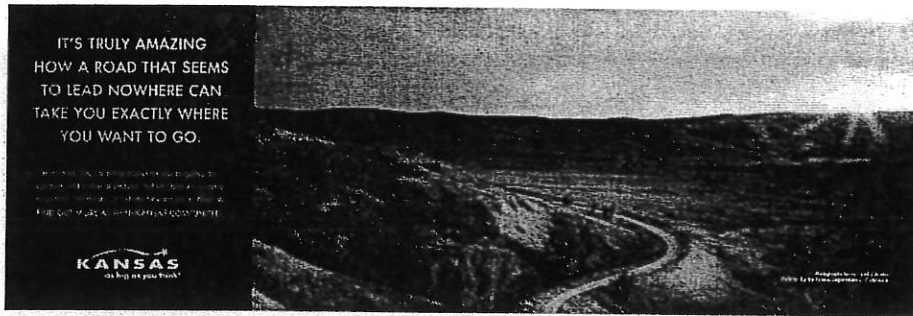
Brief History

- Business and community leaders express concerns about the state's image during the 2003 Prosperity Summit.
- One-time funding was provided during the 2004 Legislative Session to develop a new state image.
- The state's brand image campaign – Kansas, as big as you think – was launched in January 2005.
- During the 2005 Prosperity Summit, business and community leaders applauded the efforts, and said there is more to be done.

Recent Brand Image Highlights

- United Airlines
- Billboards
- State Entrance Signs and Historical Markers
- Times Square
- Redesigned www.thinkkansas.com
- Pulse on America
- Frontier Airlines
- In-state Commercials/Public Service Announcements
- State Government Implementation

Hemispheres Ad (United Airlines)



Billboard



Billboard



Billboard



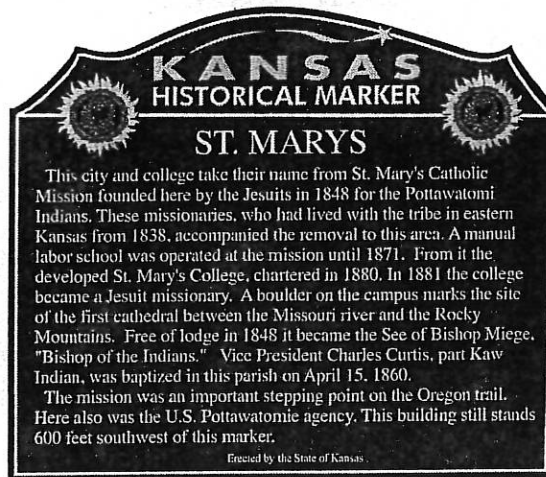
Billboard



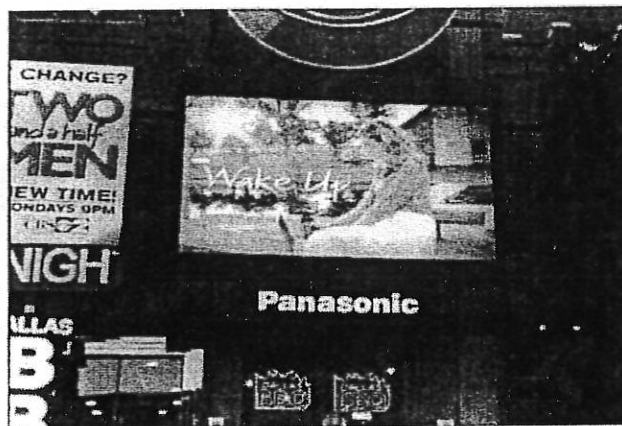
Signage



Signage



Times Square



Times Square



Stationary

KANSAS
DEPARTMENT OF COMMERCE

Kirklin Johnson, Governor
Howard E. Finkle, Secretary
www.kansascommerce.com

KANSAS
DEPARTMENT OF COMMERCE

Caleb D. Asher
Operations Division
Director of Marketing and Communications

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KANSAS
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Division Name

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Division Name

KANSAS
DEPARTMENT ON AGING
Division Name

KANSAS
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Division Name

KANSAS
DEPARTMENT OF AGRICULTURE
Division Name

KANSAS
DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES
Division Name

KANSAS
DEPARTMENT OF CORRECTIONS
Division Name

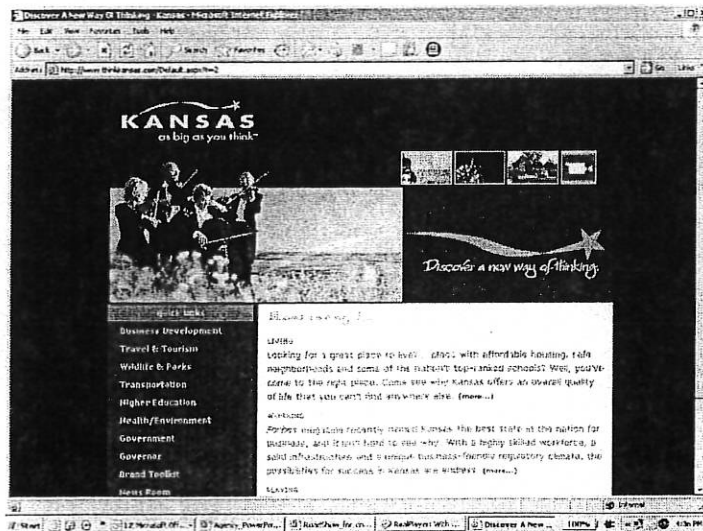
KANSAS
DEPARTMENT OF TRANSPORTATION
Division Name

KANSAS
DEPARTMENT OF HEALTH
AND ENVIRONMENT
Division Name

KANSAS
DEPARTMENT OF WILDLIFE AND PARKS
Division Name

KANSAS
JUVENILE JUSTICE AUTHORITY
Division Name

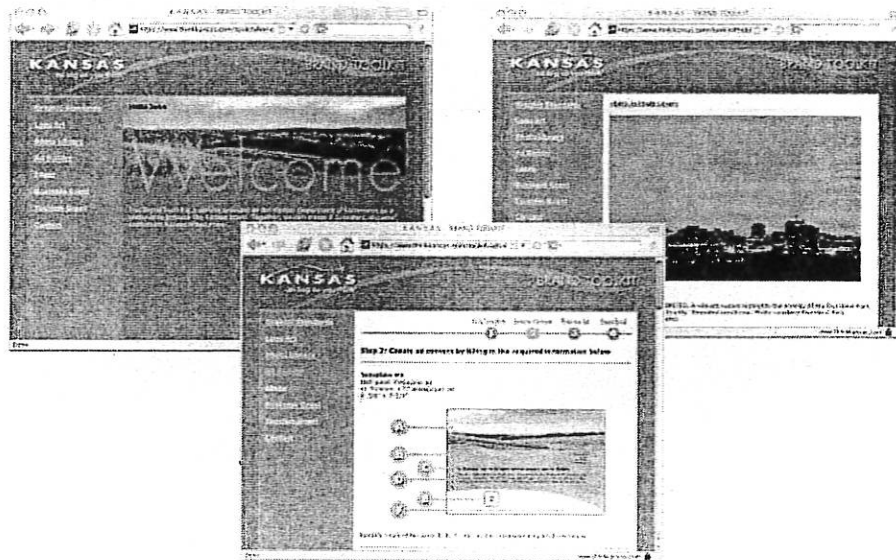
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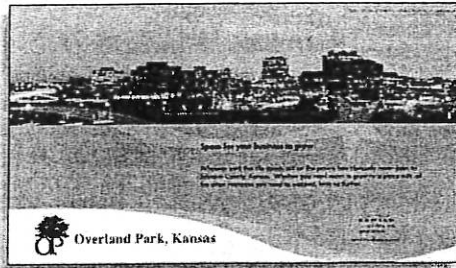
Online Toolkit

- The Online Toolkit provides a variety of resources that allow Kansas communities, businesses, and other organizations to incorporate the Kansas Brand into their materials.
- This helps maximize the reach of the state's brand campaign, while offering users professional photography and ad layouts at no charge.
- Over 600 users currently utilize the toolkit.

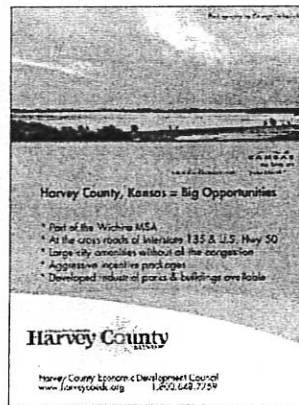
Online Toolkit



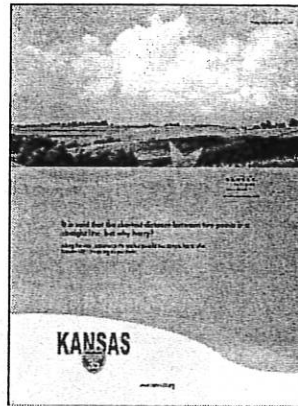
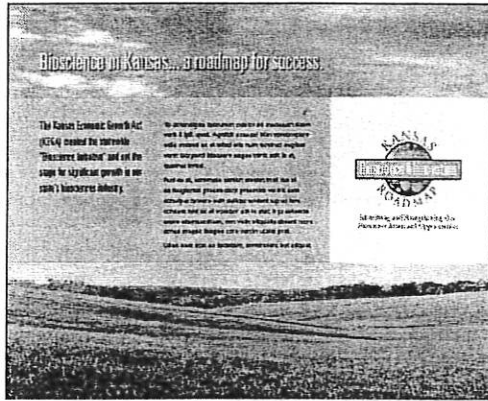
Online Toolkit



Online Toolkit



Online Toolkit



How Others Are Using It

KANSAS.gov

Find it!

File it!

Renew it!

Your government online ... anytime!

Win a 2006 Chevrolet Malibu LS or MAXX in a second chance drawing

MADE IN KANSAS

Win up to \$10,000

WINNING NUMBERS: 311101 MAXX

YOUR NUMBERS: \$\$\$\$\$\$\$\$

Win up to 9 times

▲ Marked entries for WINNING NUMBERS may be ▲
 YOUR NT SERIALS will WIN your second chance drawing.

BONUS

Repeat any of these numbers and WIN that amount instantly

KANSAS

See how on your phone

SECOND CHANCE TICKET 000

How Others Are Using It

KANSAS
as big as you think™

ksbdc
KSBDC Lead Center
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Topeka, KS 66604-1018
www.ksbdc.ks

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Kansas entrepreneurs contribute greatly to the success of Kansas. The KSBDC helps them grow.

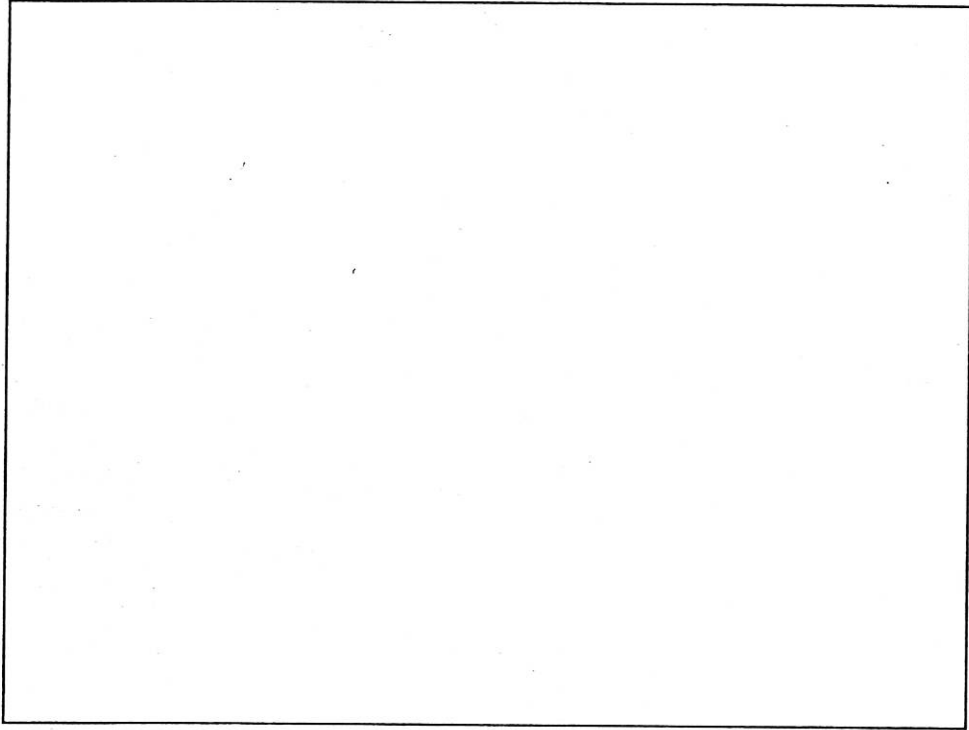
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Topeka, KS 66604-1018
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From 2002 to 2005, established KSBDC counseling clients experienced sales growth of 27.1%—compared to just 5.6% for Kansas businesses in general.

Mr. Jon Searator
Kansas Capital Building - Room 123
1427 Kansas Avenue
Topeka, Kansas 66604

Maximizing Initial Investment

- While the Kansas Brand Campaign is helping with the state's image, there is much more to be done.
- Our image is the foundation for everything we do.
 - bringing in new business
 - retaining our best and brightest
 - building our workforce
 - showcasing our culture, heritage and landscape
- Business, Industry and communities like what they see, but we are asked to do more. We continue to combat the lack of an image, more so than a negative image – and that will take an even greater investment.

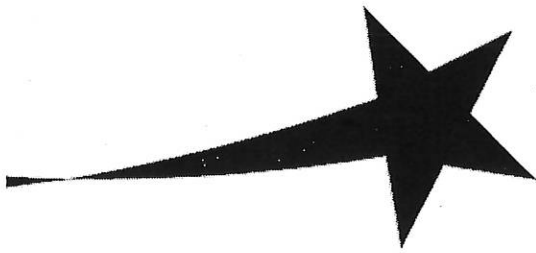


For More Information on Brand
Caleb Asher
(785) 296-2477
www.thinkkansas.com



KANSAS
DEPARTMENT OF COMMERCE

Steve Kelly, Acting Secretary



Workforce Development Division Overview
Presented by Rae Anne Davis, Deputy Secretary
to the

**House Committee on
Economic Development and Tourism**

January 18, 2007

For more information on this topic contact:

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www.kansascommerce.com

Economic Development & Tourism

Date: 1-18-07

Attachment # 2-1

Briefing on Kansas Department of Commerce Workforce Development Activities
House Economic Development and Tourism Committee
January 18, 2007
Presentation by Rae Anne Davis, Deputy Secretary of Commerce

Good morning Chair Gordon and members of the Economic Development and Tourism Committee. My name is Rae Anne Davis, Deputy Secretary for the Workforce Development Division of the Kansas Department of Commerce. I want to thank you for the opportunity to speak to you on behalf of the Workforce Development Division. I will provide an overview of the Division, a brief description of some of our many accomplishments and projects and how we plan to proceed.

As you heard yesterday from Acting Secretary Steve Kelly, in FY 2006, Kansas Workforce Centers and One-Stop partners served more than 65,000 Kansans and Wagner-Peyser Act services were used by more than 100,000 citizens. Commerce provided \$32.2 million in training funds to Kansas businesses through the KIT, KIR and IMPACT programs to fund 90 projects. These projects resulted in \$47.5 million in private matching funds, 16,500 individuals trained, 3,000 new jobs trained, and 13,500 jobs retrained and positions retained. We have also developed, in collaboration with the Older Workers Taskforce, a comprehensive strategic plan for serving older workers. This was done pursuant to legislation originating in this Committee and was presented to the Legislature in August.

On July 1, 2004, Governor Sebelius' Executive Reorganization Order 31 merged the federal workforce development programs that focus on job seekers with the state funded programs that focus on employers. Nearly the entire Employment and Training Division of the Kansas Department of Human Resources (now the Kansas Department of Labor) became fully integrated in the Department of Commerce.

The primary intent of the Governor's initiative was to link numerous state and federally funded workforce development programs with institutions delivering technical education together into an effective workforce development system, driven by the needs of Kansas businesses. A jointly-funded position between the Kansas Board of Regents and Commerce was created to develop strategies to enhance the ability of post secondary institutions to respond to the needs of business and industry.

The bottom line of the ERO and the transition was to provide workforce solutions to Kansas businesses and job seekers while minimizing the bureaucracy of the workforce system for businesses.

The 2004 Legislature passed, and the Governor signed into law, the Kansas Economic Growth Act which, among other things, authorized the Secretary of Commerce to use existing resources for direct investments into the training expertise, human capital and infrastructure of our schools.

We heard from the Kansas aviation industry that they had an immediate need for over 4,000 skilled technicians, with an on-going need for 1,000 per year for the next several years. As a result, Commerce funded the development of the Manufacturing Skills Certification (MSC) curriculum by a consortium of educational institutions (the Kansas Institute of Technical Excellence (KITE)) and representatives from the aviation industry.

Developing a curriculum is one small part of a workforce solution. The screening and assessment of applicants was done at the local workforce center. Individuals with financial need had their tuition paid by Workforce Investment Act (WIA) dollars. The success of this program has led to the expansion of the MSC to the plastics industry in the Winfield area. Plans are being developed to expand the model statewide to meet industry need.

Commerce has also made use of the Workforce Solutions Fund to help training institutions throughout the state respond more effectively to the needs of Kansas businesses. Specific examples of projects approved in the past year include:

- **\$2,000,000 toward the \$40,000,000 construction of the aviation technology center at Jabara Airport.** Construction for this 107,000 sq.ft. facility will begin in March. Once completed, this facility will provide the capacity to train 5150 participants per year for the aviation industry through company training, customized incumbent worker training, and technology certificates and associates degrees. This training capacity will support a critical industry with a significant current and future need for skilled workers.
- **\$125,000 toward the acquisition of training workstation packages at the Cowley College facility in Winfield, Kansas.** To support the growing plastics industry in Cowley and Sumner Counties, this investment will support the provision of plastics technology and manufacturing skills training to area residents and high school students to help assure an adequate labor pool for local employers and to improve the skills of the existing workforce.
- **\$65,450 toward the acquisition of mobile heavy construction simulators at North Central Technical College in Concordia, Kansas.** This investment addresses the demand for heavy equipment operators in the construction industry. It is Commerce's first investment into a mobile training center that could be used statewide.

Also in FY 2006 a new apprenticeable occupation for Health Support Specialist was developed by Commerce and approved by the United States Department of Labor. The Health Support Specialist represents a critical step in the career ladder for a Certified Nursing Assistant (CNA) and enables employees at adult care facility to receive training as a universal worker. Through the program, CNAs become proficient in a variety of medical and personal attendant skills. At the conclusion of training, the employee earns a Completion of Apprenticeship certificate, a portable credential that is recognized nationwide.

The Department of Commerce is now administrating the Early Childhood Associate Apprenticeship Program. The program is funded by a grant from the Department of Social and Rehabilitation Services. This program helps child care workers receive job-specific training and helps employers obtain the quality trained employees they need. In addition to portable industry-recognized credentials, program completers earn 20 hours of college credit. This training supports all industries by increasing the availability of higher-skilled child care.

As previously mentioned, Commerce has operated the state's Workforce Investment Act program since 2004. Some of FY 2006's more significant state-level projects include:

Due to the increased troop strength at Ft. Riley as a result of the Base Realignment and Closure (BRAC), counties surrounding Ft. Riley, Manhattan and Junction City will see a large influx of military spouses who have been dislocated from their previous employment. In response, a program was developed to assist military spouses and local businesses. The program will assist in matching skill levels of the spouses with business demand and increase skill levels through training provided by area educational institutions, when necessary, to ensure the demand is met.

Recognizing that ex-offenders who become gainfully employed are far less likely to recidivate, Commerce has worked with the Department of Corrections and a local provider to develop a Reentry and Retention Project. Inmates from county jails and prisons who are scheduled for release within six months are assessed for basic, technical and soft skills. Concurrently, local jobs are evaluated for the same skill set requirements. Once potential job matches are discovered, telephone interviews are held between prospective employers and appropriate inmates. Offenders are released to a job, not a job search.

In response to the need for additional registered nurses Commerce, the Kansas Hospital Association and Pratt Community College developed a web-based educational program which provides current Licensed Practical Nurses the opportunity to complete their Associate Degree in Nursing and qualify for the Registered Nurse certification.

In a collaborative effort with several state and federal agencies, the SKLLS (A Stronger Kansas by providing Life Learning Situations) Project was formed to provide at-risk 18-21 year olds an opportunity to enhance their decision making, coping, social, and work skills so they become more responsible, employable, and productive citizens. The project will recruit participants primarily from Shawnee County and the surrounding areas, who are aging out of the foster care system, or who are otherwise in need of educational and employment assistance. Participants will complete conservation projects primarily at the Tallgrass Prairie National Preserve in Chase County.

State funded programs are used to providing financial support for companies needing to train new or retrain existing employees. This is accomplished through the Kansas

Industrial Training (KIT), Kansas Industrial Retraining (KIR), and Investments in Major Projects and Comprehensive Training (IMPACT) programs. Some of the FY 2006 highlights are:

- **Learjet, Inc., Wichita.** This is a demonstration project for the direct training model we are developing, whereby Commerce brokers training through local educational institutions directly to the company. The KITE Consortium and Wichita State University are providing the training on this project. This project will train 2,410 workers with an average Wage of \$25.90 per hour. The aerospace products and parts manufacturer is realigning their processes to improve efficiency, performance and skills in order to maintain their competitiveness.
- **CPI Qualified Plan Consultants.** This service company administers employee benefit plans. They expanded to add 19 new employees with an average wage of \$11.18 per hour.
- **Office Max, Overland Park.** The distribution center for office products is adding 101 new employees at an average wage of \$19.55 per hour.
- **Spirit AeroSystems, Inc., Wichita.** The aircraft manufacturer is retraining 3045 employees with an average wage of \$27.26 per hour.
- **Exide Technologies, Saline County.** This storage battery manufacturer is retraining 204 employees with an average wage of \$10.69 per hour.

Commerce, in cooperation with the state of Missouri, secured a \$15 million U.S. Department of Labor WIRED (Workforce Innovation in Regional Economic Development) grant. These 13 projects are part of the signature initiative of the current Administration's Department of Labor. OneKC WIRED integrates and builds upon a collection of currently independent activities to develop a comprehensive system of economic development, workforce development, and education and training. This initiative will drive significant economic and workforce development transformation within the greater KC. The initial focus is on the high-growth, high-demand industry sectors of advanced manufacturing, biotechnology, and healthcare.

The Governor has introduced a new workforce development initiative, in which the Department of Commerce plays a key role. **The On-TRACK initiative** aims to provide workforce solutions to Kansas businesses and job seekers. It is designed to recruit workers to Kansas, specifically to critical industries, and increase the skill level of the state's current workforce. The On-TRACK initiative will be rolled out in a series of regional summits with Kansas employers. The initiative's basic components will be explained to employers at these summits, and attendees will be asked to provide their input. The feedback solicited at these summits will then be used to guide the development of the initiative. Funding for this initiative is included in the FY 2008 Governor's Budget Recommendation.

To have the most impact with limited state resources, Kansas' workforce development strategies and funding will target specific sectors of the Kansas economy. The On-TRACK initiative will focus on the following critical industries:

- Aviation/Advanced Manufacturing
- Communications
- Health Care
- Energy/BioFuels/Renewable Resources
- Bioscience (with an emphasis on animal health)
- Military
- Teaching (science, math and special education)

Initiative Components

Sign-on Bonuses

The State will sponsor sign-on bonuses for new employees in targeted industries or specific occupations within those industries. This approach is more flexible than the student-loan repayment or housing subsidy programs offered in other states. Additionally, this approach appeals to a broader spectrum of potential workers. Kansas employers would apply to the Department of Commerce for participation in the program.

- State dollars would be matched with investment from employers, which would be scaled to the size of the business (based on revenue) from 50 percent state – 50 percent business to 10 percent state – 90 percent business.
- Sign-on bonus of up to one-year's salary paid to employees hired by a Kansas employer in the targeted sector. The bonus would be paid upon hiring and "earned" on a monthly basis, which means that if an employee resigns, the bonus must be paid back based on the number of months worked up to two years. If an employee moves from one Kansas company to another, the state will not subsidize a second sign-on bonus, and the repayment would still be required.

Teacher Shortage Initiative

Quality schools are critical to the State's efforts to recruit and retain Kansas businesses and a quality workforce. The On-TRACK initiative includes a Teacher Shortage Initiative targeting science, math and special education in rural and high-poverty areas. This includes scholarship funding for those entering teaching and a grant program for the Regents Institutions to spur innovative ideas for addressing the shortage of teachers in these critical areas. This is a longer-term strategy supplemented by the sign-on bonus initiative to address immediate needs.

Partnering with Kansas Employers to Promote Our State Image

A strong state image creates a strong workforce. After all, if workers have a positive impression of Kansas, it is more likely they will want to work and live here. Unfortunately, Kansas often finds itself suffering from a poor image or from a lack of any image at all. When asked for their impressions of Kansas, out-of-state respondents often refer to Dorothy, Toto and tornados, as well as flat and barren landscapes – certainly not a place where one would choose to live, work or play.

But with a targeted campaign, that image can be changed for the better, and that is what the State is attempting to do with its "Kansas, as big as you think" Brand Image Campaign. Unveiled in 2005, the campaign is designed to "tell the Kansas story" and market the state as a great place to live, work and play.

The Kansas Department of Commerce will partner with Kansas employers to aid in their recruitment activities. Commerce can collaborate with Kansas businesses to target media campaigns to geographic areas or population demographics that complement employee recruitment strategies.

In the area of workforce development, Kansas has a wonderful story to tell. Our strong work ethic is built on our heritage, and our heritage drives our business philosophy. Companies seek workers from Kansas because of Kansans' reputation as honest, trustworthy, dependable, rugged and straightforward people.

Employer-based Child Care

Child care is a critical workforce issue across all occupational areas. Part of Kansas employers' struggle to find and keep workers stems from the limited availability of quality child care. By promoting employer-based child care, the On-TRACK initiative will educate Kansas businesses about providing child care opportunities as a recruitment strategy.

- The State will participate in two demonstration projects to confirm that employer-based child care provides a return on investment for Kansas business. Through seed funding for two centers, the State can highlight not just the need, but the idea and value of employer-based care. The existence of a work-based child care centers serves as a recruitment tool for employers as employees are guaranteed good, quality child care. The individual companies involved in these demonstration projects can develop a sliding scale for the fees for employees based on salary. The demonstration projects will focus on the Aviation Industry (a high-wage critical industry for Kansas) and the Fort Riley area, where a critical need exists due to the regions rapid population growth in recent months.

These projects will include an infant-pre-K academy and involve a small state investment and matching funds from employers or other partners for the construction and startup. The Governor and the Department of Commerce will work with business and community partners to publicize these projects to highlight the value of employer-based child care as a recruitment and retention tool.

The State will also publicize the existence of the tax credit for the creation and operation of employer-based child care facilities to encourage additional businesses to establish them. Current law provides for a 50 percent credit of the amount spent up to \$45,000 in the first year and a 30 percent credit up to \$30,000 in subsequent years.

- The Governor will create a **resource team** of the state's experts in early childhood development, child care licensing and child care operations to serve as a resource for businesses wishing to establish a child care center for employees.

- In addition to focusing on the need for employer-based child care, the Governor's budget fully funds the projected case load of the Child Care Assistance Program in the Department of Social and Rehabilitation Services. This program provides a subsidy to assist with child care costs for the working poor.

Certification of Workforce Credentials

In recent years, the Department of Commerce has shifted the focus of the public workforce system from simply finding jobs for individuals to meeting employer needs by providing a common assessment platform. Over the past several years, the "labor exchange" landscape has changed dramatically. The Internet is now the place to find job listings, and the public workforce system cannot continue to simply help individuals find job listings and post listings for employers. The value the system can add is to provide assessments and specialized recruiting for businesses. This, in turn, provides a greater benefit to individuals accessing the system.

- Kansas has now joined 12 other states in initiating a **statewide career ready certificate** program in order to assure employers in our state that we can provide a skilled labor force for jobs today and in the future. The Kansas *WorkReady!* Certificate uses three *WorkKeys* assessments to verify the skills of individual workers. This is a part of the ACT college testing organization and is used to identify job seekers' levels in three skills necessary for most jobs: reading for information, locating information and applied mathematics.
- The **Manufacturing Skills Certification** developed in the Wichita area with a sheet-metal assembly focus to meet a critical industry need. That curriculum can be modified to other specific jobs or for a more general advanced manufacturing skill set and delivered in all areas of the state based on industry needs.
- The Department of Commerce will incorporate a **Work Ethic Grade or Assessment** into these certifications.
 - All of the educational institutions delivering the training for certifications will be given the curriculum to do the assessment
 - Remedial courses will be available through the Workforce Centers
- Plans for developing a **Lab Technician Certification Program** are also under way. The initial curriculum will likely be developed in conjunction with Johnson County Community College. The Certification will be aimed at providing a skilled workforce for the Animal Health/Animal Science and Health Care industries. After this is developed, it can be rolled out statewide as needed
- Commerce will work with Kansas employers to explore developing an **Energy/BioFuel Worker Certification**.

Thank you again for the opportunity to share the exciting things we are accomplishing in Workforce Development in Kansas. I would be pleased to answer any questions you have.