

# The Challenge to Compete Kansas Workforce 2020

*Updated August 2021*





Fellow Kansans,

Since launching its *Kansas Vision 2025* strategic action plan three years ago, the Kansas Chamber has worked to identify how the state can better compete in attracting, building, and creating wealth in Kansas. Increasing the supply of skilled talent necessary to sustain and improve Kansas businesses and their growth plans is chief among the five-year plan's four areas of focus.

The Chamber commissioned **Economic Leadership** in early 2020 to do an in-depth study of the Kansas workforce and the many challenges it faces and then again in 2021 to determine whether the impact of the COVID-19 pandemic on our state had raised any new concerns or recommendations.

*The Challenge to Compete - Kansas Workforce 2020* report used research, a review of national best practices, and interviews with business, education and workforce development leaders to learn what can be done to improve workforce development and how education can better align with the staffing needs of our state's industries. The updated report reaffirms last year's 20 recommendations to enhance the effectiveness of Kansas' efforts to educate, train, recruit and retains a qualified workforce and identifies new trends and possible strategy adjustments.

We continue to expect this report to be a living plan that will improve and expand in the next few years as the Chamber meets and works with other stakeholders committed to addressing our state's workforce challenges.

Thank you to those who participated in our study and shared their insight and expertise. The Kansas Chamber and its members look forward to helping build a talent pipeline that allows Kansas and its citizens to grow and prosper.

All the best,

Alan Cobb  
Kansas Chamber  
President & CEO

P.S. You can learn more about *Kansas Vision 2025* at [www.KSVision2025.org](http://www.KSVision2025.org).



# The Challenge to Compete - Kansas Workforce 2020

## Executive Summary

For a business, the ability to find enough workers – and those with the skills needed – is the difference between success and failure. How states build a talent pipeline that educates, trains, recruits, and retains a qualified workforce will likely be the difference between states that grow and prosper and those that do not.

Rising to the challenge takes a clear vision, specific actions from collaborating partners, adequate resources, and sustained leadership. This report from the Kansas Chamber uses research, a review of national best practices, and input from stakeholders to recommend steps to improve the effectiveness of Kansas' efforts.

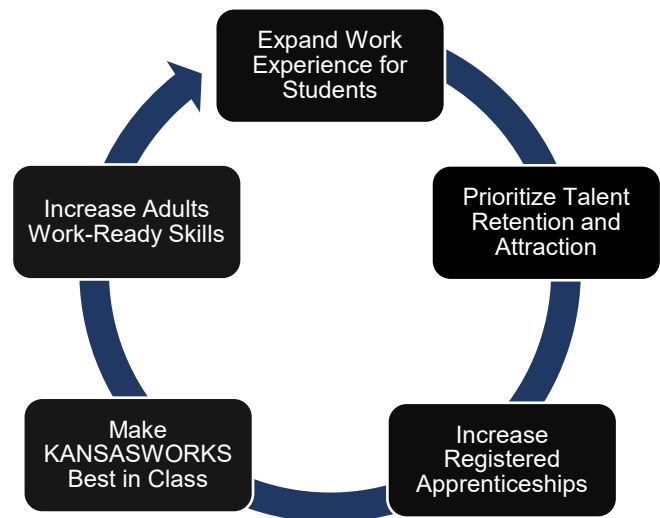
The research found that:

- Without new efforts, projections show Kansas's available workforce will not grow during the next decade,
- Businesses have significant trouble finding workers with the skills they need,
- There are alternate paths to career and individual economic success other than a four-year college degree,
- Business must increase involvement in schools,
- Education and training institutions need to become quicker at responding to business workforce needs,
- Educators and parents need a better understanding of workplace realities and career options in Kansas,
- To address workforce quantity, Kansas must focus on retaining its young people and the graduates of in-state colleges and universities, and also target former residents and young workers in nearby Midwestern cities to come home, and
- Across the country, competitor states and regions have developed many programs that work.

## 20 Recommendations

### Expand Work Experience and Work-Based Learning for Students

1. Establish specific state-level goals for student work-based learning similar to Rhode Island's PrepareRI.
2. Reform Kansas labor laws to enable youth under 18 to get more work experience.
3. Extend school district liability coverage to provide liability protection for businesses that host young employees, interns, or offer job shadowing.
4. Incent Kansas' public colleges and universities to expand student internships and job placement coordination with area firms. Establish goals for the percentage of college students placed in internships.
5. Create more summer externship programs for K-12 teachers, as a practical way for teachers to understand the value of student work experience and what career opportunities are available in their region.



## **Prioritize Talent Retention and Attraction**

6. Appropriate or raise funds for a robust talent attraction strategy. This strategy should be crafted around reaching former residents (potential “boomerangs”) in nearby Midwestern cities, especially young people around the age of family formation. Talent attraction messaging should stress quality of life and affordability, and Kansas as a place that values a talented workforce and welcomes and encourages diversity.
7. Tie university scholarship programs (such as the nursing and engineering initiatives) to post-graduation residency requirements.
8. Develop a best-practices tool kit and encourage local and regional chambers of commerce to develop programs that help more businesses – especially small and mid-size employers – connect with K-12 schools for career awareness events (in-school presentations, site visits, job fairs, mentoring and job shadowing).
9. Adopt the Kansas Promise scholarship program targeted at Kansas high school graduates studying in-demand fields in the state’s community and technical colleges. Kansas Promise would require that recipients reside in the state for two years after completing a degree or certificate.
10. Increase career transition outreach efforts to military personnel in Kansas who are preparing to enter civilian life.

## **Significantly Increase Registered Apprenticeships**

Establish a statewide goal to reach the national average for the number of active apprentices per 100,000 people in the working age population, doubling this number from 132 to 263 within five years.

11. Create a state apprenticeship tax credit for businesses, as is done in Alabama and South Carolina.
12. Place graduating high school participants in the Excel in CTE program into an appropriate apprenticeship with a Kansas business, similar to Kentucky’s TRACK initiative.
13. Develop alternate sponsoring entities for Registered Apprenticeship programs – such as local workforce boards, community and technical colleges, and industry association groups.
14. Fund a Registered Apprenticeship program coordinator, through **KANSASWORKS**, in each region of the state, with the additional responsibility to lead the development of a robust youth pre-apprenticeship program in each region.

## **Increase the Work-Ready Skills for Kansas Adults**

15. Create more short-term training offerings at Kansas’ technical and community colleges for upskilling and retraining of adult workers.
16. Develop more partnerships between the Department of Corrections, technical and community colleges for skills and employability training of incarcerated adults and youth. Establish a goal of having all inmates earn an industry-recognized certificate by time of release.
17. Promote regional and county-level involvement in ACT’s Work Ready Communities program. Currently just ten counties are formally participating and only four are certified Work Ready Communities.

## **Make KANSASWORKS a Best-In-Class Statewide Program**

18. Continue the expansion of the Statewide Longitudinal Data System, incorporating workplace outcome data with education and training data, enabling the state to better adjust programming with desired workforce outcomes.
19. Establish and annually collect data on business satisfaction metrics to evaluate the system’s responsiveness to business needs.
20. Fund a Director of Employer Engagement in each region of the state.



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Selected charts were updated in the summer of 2021 and a new section (beginning on page 35) was added that acknowledges the impacts of the COVID-19 pandemic and offers additional strategic responses.



## Introduction

Prior to the COVID-19 pandemic, workforce quantity and quality dominated discussions about U.S. business competitiveness and economic development opportunity. All-time lows in unemployment meant extremely tight labor markets that challenged businesses and stifled growth. Although ramping up post-pandemic employment will take time, the same issues – the size and depth of candidate pools and skills gaps for high-demand occupations – again will be critical business concerns.

The competition for business investments, jobs, and economic prosperity remains intense, with Kansas vying for success against every other state and many nations around the globe. Despite recent efforts to improve talent attraction and retention, workforce training, and education systems in Kansas, more is needed. Many stakeholders believe that the state still lacks a true sense of urgency and an aligned effort to win the ongoing war for talent.

This report from the Kansas Chamber uses research, a review of national best practices, and interviews with business, education, and workforce development leaders in the state to recommend steps to improve the effectiveness of Kansas' efforts to educate, train, recruit, and retain a qualified workforce.

The research, recommendations, and best practices included in this report demonstrate that:

- Without new efforts, projections show that Kansas's available workforce will not grow during the next decade,
  - Businesses have significant trouble finding workers with the skills they need,
  - There are alternate paths to career and individual economic success other than a four-year college degree,
  - Business must increase involvement in schools,
  - Education and training institutions need to become quicker at responding to business workforce needs,
  - Educators and parents need a better understanding of workplace realities and career options in Kansas,
  - To address workforce quantity, Kansas must focus on retaining its young people and the graduates of in-state colleges and universities, and also target former residents and young workers in nearby Midwestern cities to come home, and
  - Across the country, competitor states and regions have developed many programs that work.
- Any state's talent pipeline includes parents and other relatives, teachers and counselors, friends, clergy, the military, government programs and employers. Anyone that helps someone gain the personal and professional skills for a successful career has a role to play.

**“Kansas is exporting too much talent.”**

**“Too many young people have no work experience in the field they want to enter.”**

**“Kansas doesn't have the right process to push apprenticeships.”**

**“Leadership is lacking in the workforce development arena.”**

- *Comments from Kansas Stakeholder Interviews*



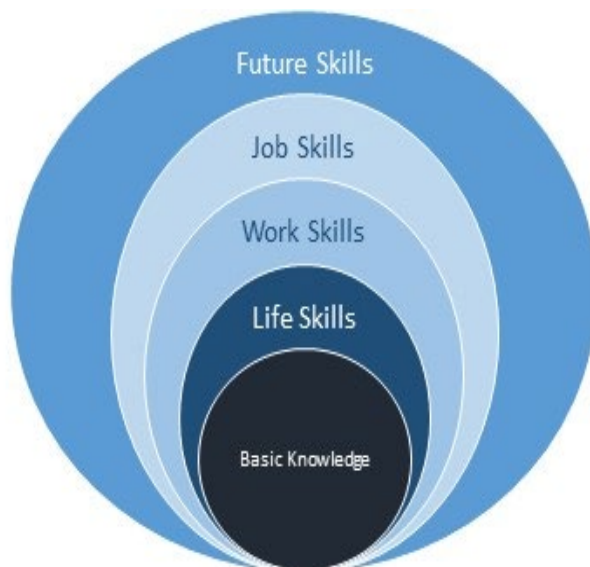
There is a mismatch between the skills workers possess and the skills employers need. There is no simple, universally agreed upon list of the skills that employers want. In interviews, employers consistently report that different jobs prioritize different skills. Often a specific job's most important skill or skills is determined by the overall ability of the work team, not just by the individual task. In our stakeholder interviews, several Kansas employers highlighted concerns that are usually referred to as "soft skills", including work attendance, ability to pass a drug test, and attitude. Other stakeholders discussed their inability to fill jobs with specific technical skills.

Naming and framing the problem is essential to any problem-solving. The following breakdown, created by Economic Leadership, helps to explain the "skills gap", and the skills that citizens will need to successfully compete for better jobs in the future. Each tier builds on the previous set of skills. By identifying specific skill deficiencies, specific actions can be created to address the concerns.

**Basic Knowledge** is the set of core academic competencies being taught by elementary, middle, and high schools. Kansas and the local districts make many choices about curriculum, instructional strategies, materials, and textbooks. Many social, economic, and family factors heavily impact academic achievement. From the employers' perspective, an effective course of study would result in proficiency in reading comprehension, writing and, increasingly important, applied mathematics. Almost all jobs today, and in the future, will require these skills, and that the skill-level be quantified by new assessment methods.

**Life Skills** are made up of those personal attributes that are sometimes described as "soft skills." They include motivation (initiative), responsibility, honesty, punctuality, personal accountability, flexibility/adaptability, and conflict resolution. Often barriers to employment such as failing a drug test or having a criminal record are included in this category.

**Work Skills** are sometimes considered "soft skills" since many are viewed as personal traits. These skills are increasingly more important to employers, and they are also generally transferable between jobs. Employees with strong work skills have greater opportunities in a dynamic employment market. Today, most jobs demand that successful employees have teamwork, problem solving, flexibility, perseverance, and communication skills. Increasingly innovation, creativity, leadership, selling, and negotiation abilities are valued.



© Economic Leadership



**Job Skills** are specific to an individual job. A diesel mechanic or pastry chef must receive specific training for the task.

Higher education institutions and individual employers will be the primary provider of this training, but increased exposure to sector skills can begin earlier, including in CTE classes in high school. Whether it is a degree or certificate, many employers are demanding more skills than the basic knowledge conferred by a high school diploma. While only about a third of the jobs in the near future will require a four-year bachelor's degree, an equal number will require post high school training, a certificate or an associate degree.

Finally, **Future Skills** are emerging as abilities that can add worth to the employee, especially in these rapidly changing economic times. Once, being able to use a computer was new. Today, the ability to use and interface with technology, manage multiple simultaneous priorities, comfortably absorb, and apply data, and successfully interact with colleagues and customers of different backgrounds, are all highly valued. These skills should be gained during school years and augmented by ongoing education and practice.





# Demographics and Workforce Data

## Population

The most important and problematic demographic trend impacting the Kansas workforce is very slow population growth, leading to chronically tight labor market conditions. Kansas' current total population estimate is 2.91 million, which ranks 36<sup>th</sup> in the United States.<sup>i</sup> During the last 10 years, the state's population growth ranks 37<sup>th</sup>.<sup>ii</sup> According to analysis by the University of Kansas, the state grew by just 2.1 percent between 2010 and 2019, adding fewer than 6,700 people per year.<sup>iii</sup>

Looking at 10-year projected population change across the state, 50 counties are projected to see population growth.

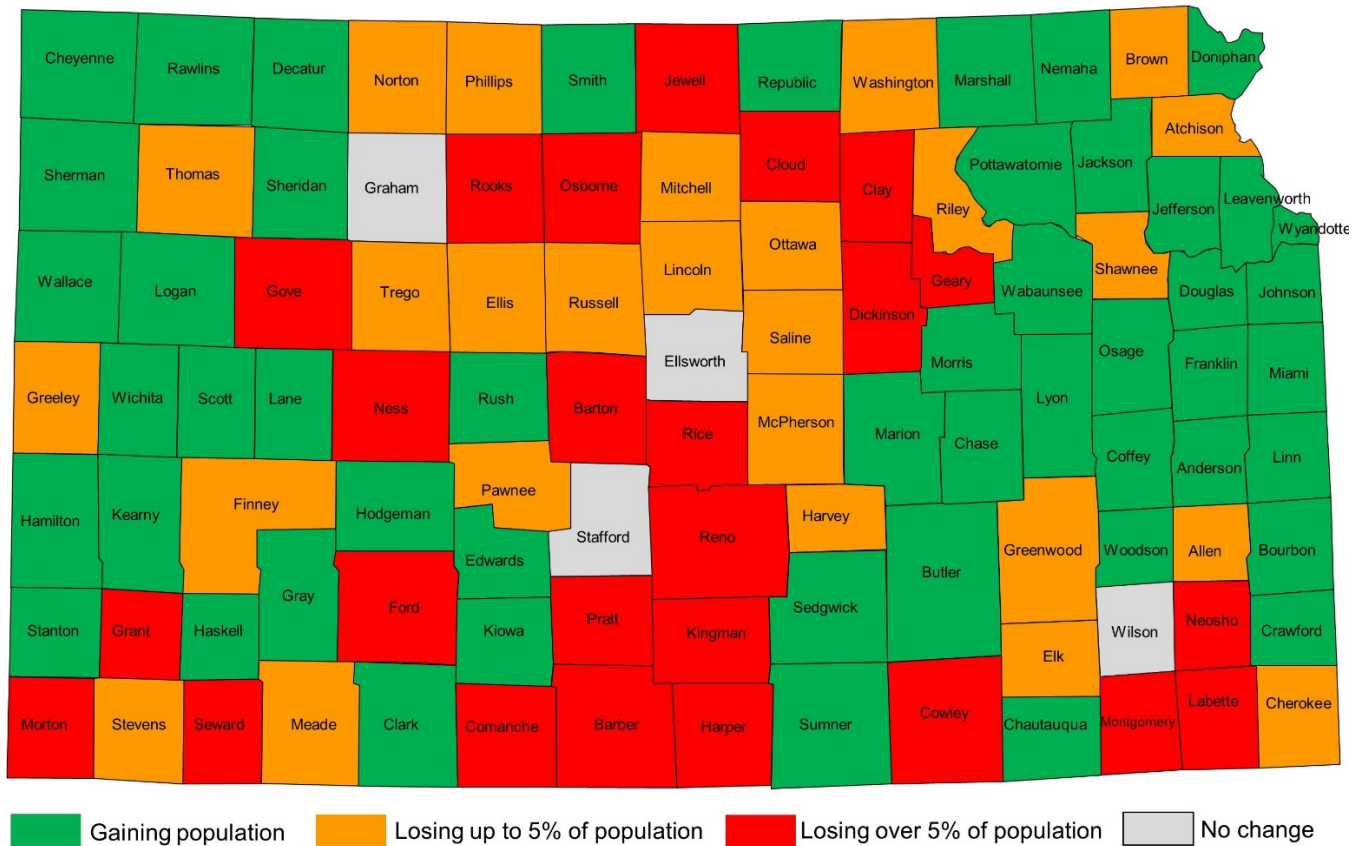
## The Strengths

- Good educational attainment
- High labor force participation
- Job growth in multiple sectors

## The Challenges

- Slow overall population growth
- Population losses in many counties
- Projected decline in the number of working age residents

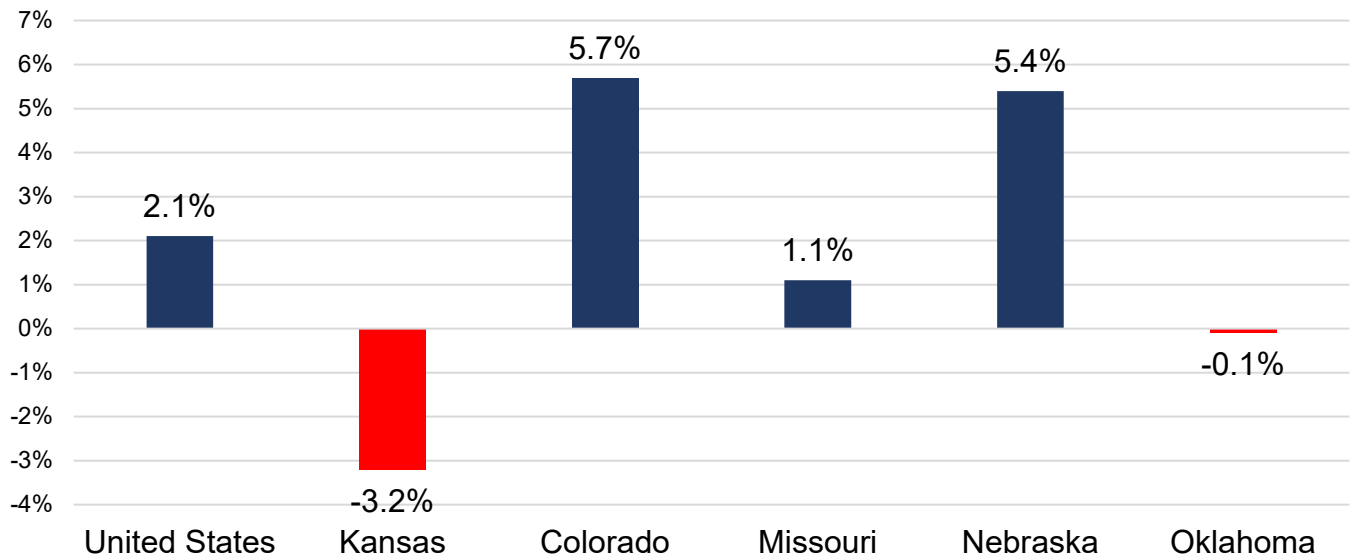
### Kansas Projected Population Growth 2021-2031 – All Ages



Source: EMSI 2021.2

Kansas' relatively young median age is 36.5. Only nine states have a lower figure.<sup>iv</sup> One reason for this could be the large number of military installations in the state. There are more than 21,600 active-duty members of the military in Kansas.<sup>v</sup> However, 10-year projections for the state show declines in both the population 19 years old and younger, and in the working-age population (ages 25-64). (Revised estimates in the summer of 2021 now show even greater losses than in the original report.)

### Projected Growth Age 19 and Under 2021-2031

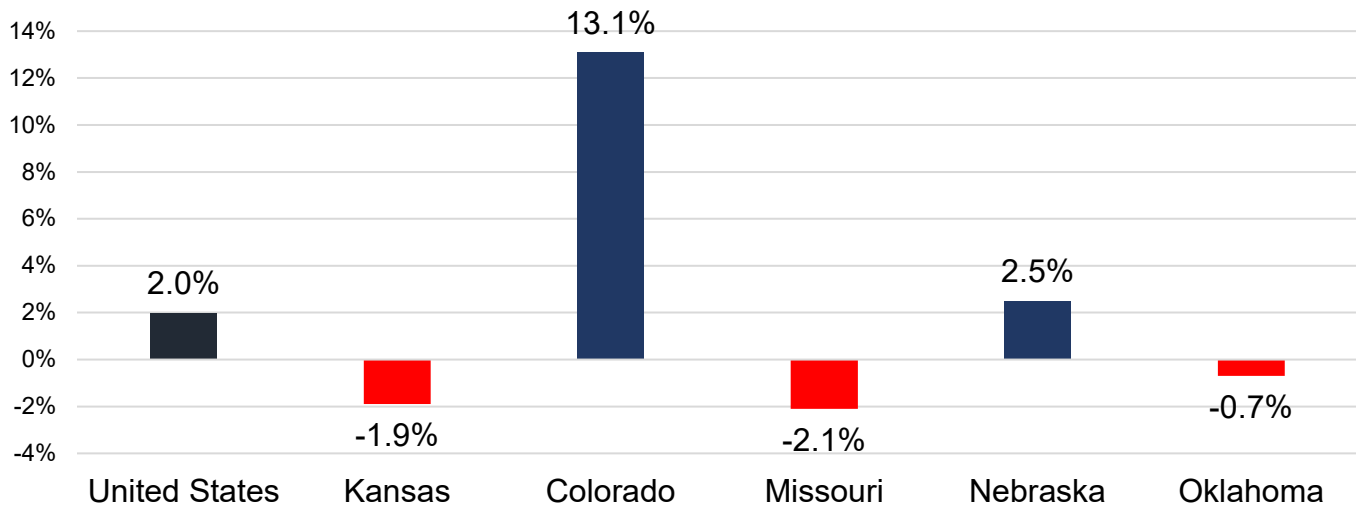


Source: EMSI 2021.2

For both of these age groups, the projected trends for Kansas are worse than national averages and in most neighboring states. While workers are expected to remain in the labor force longer, the decline of those in prime working age is a competitive disadvantage.



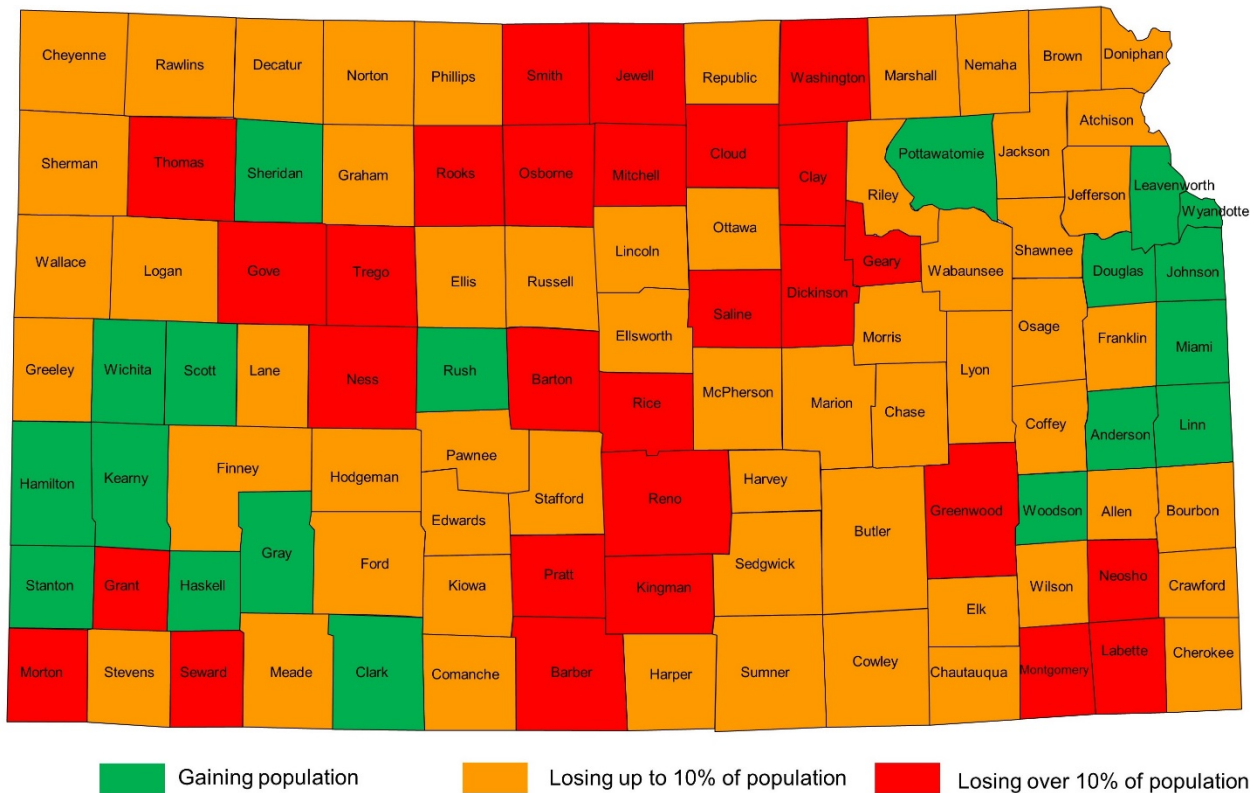
## Projected Working-Age Population Growth 2021-2031



Source: EMSI 2021.2

Unless actions are taken to alter the current trends, recent workforce shortages could get significantly worse. For working-age population, almost all counties can anticipate losses and most Kansas counties could see decreases of five percent or more over the next decade.

## Kansas Working Age (25-64) Projected Population Growth 2021-2031

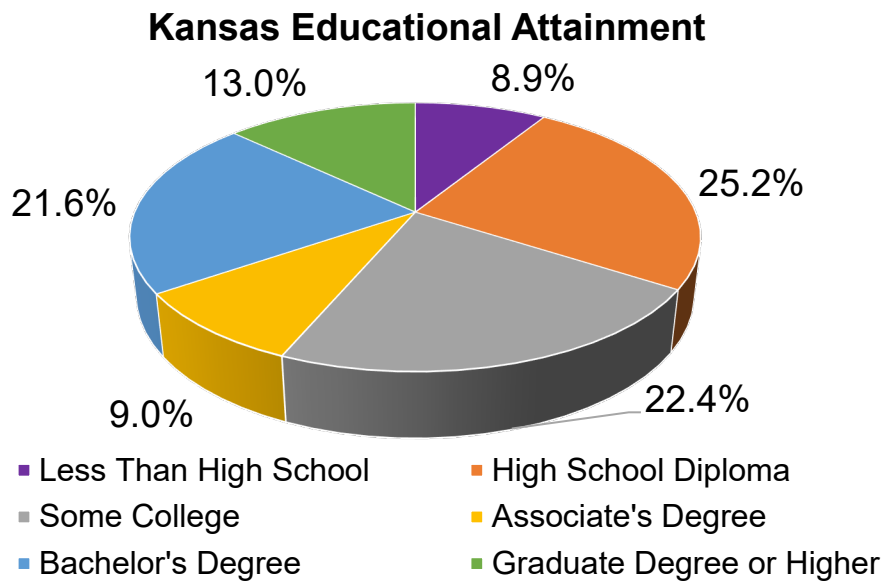


Source: EMSI 2021.2

## Educational Attainment

A strength of the Kansas population and workforce is relatively high educational attainment. Adults in the state are more educated than the national average, with 43.6 percent having an associate degree or higher, and 34.1 percent having a high school diploma or less. Currently over one fifth of adults, 22.4 percent have some college but no degree.

(2021 updates show continued growth in educational attainment.)



Source: EMSI 2021.2

One significant positive trend for the labor supply in Kansas is labor force participation. The most recent labor force participation rate for the state is 67.0 percent, substantially better than the national rate of 60.8 percent.<sup>vi</sup>

## Employment Opportunities

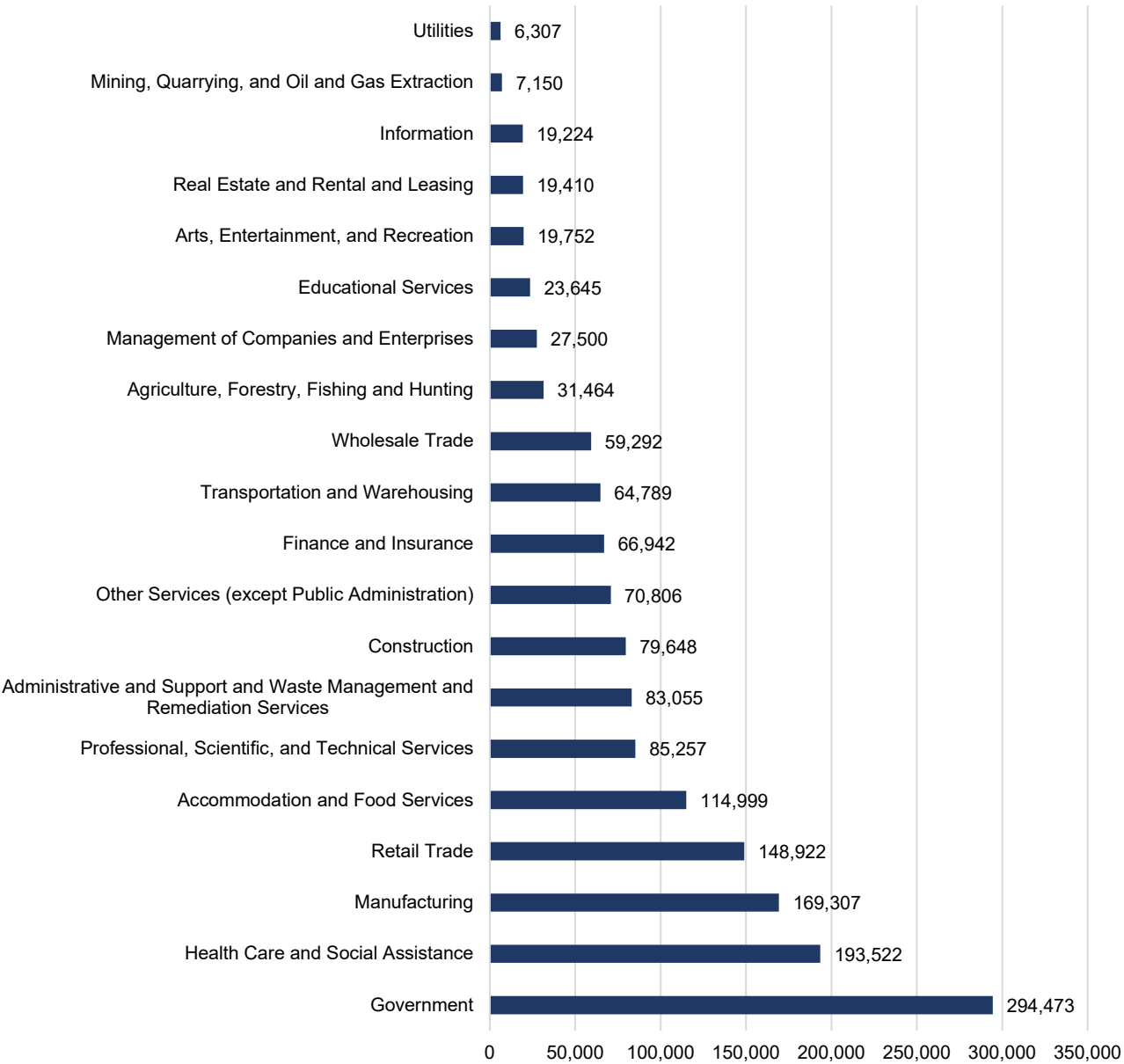
Like the nation, Kansas has experienced a strong economy during the past decade. The number of jobs in the state grew by almost 100,000, more than seven percent. Many stakeholders believe that additional growth was possible but was prevented by a lack of qualified workers. The lack of population growth and constricted labor market is demonstrated by thin applicant pools and difficulty filling vacant positions. At the end of 2018, Wichita State's Center for Economic Development and Business Research reported that "Kansas had the second-highest job opening rate in the nation," but was "in the bottom third in its hiring rate."<sup>vii</sup> In the spring of 2019, Kansas had 0.8 unemployed persons per job vacancy. The Kansas Department of Labor noted that "this is the second year in a row since the survey began in 2004 that there have been more vacancies than unemployed people."<sup>viii</sup>

Aside from spikes in unemployment related to COVID-19, Kansas has experienced persistently low unemployment. In February 2020, the state's unemployment rate was 3.1 percent, below even the record-low national figure.<sup>ix</sup> The few counties with moderately high unemployment were concentrated in the southeastern part of the state. In April 2020, statewide unemployment shot up to 11.9 percent; this receded to 7.2 percent by July. Double-digit unemployment was found near Kansas City and Wichita, while some counties along Kansas' western border still saw unemployment rates of less than 2 percent.<sup>x</sup> Once the pandemic eases, most stakeholders interviewed for this project expect tight labor conditions to return.

The chart below shows employment by industry sector in Kansas prior to the pandemic. The state has a strong presence in manufacturing, compared with national averages, and is underrepresented in professional, scientific, and technical service jobs.



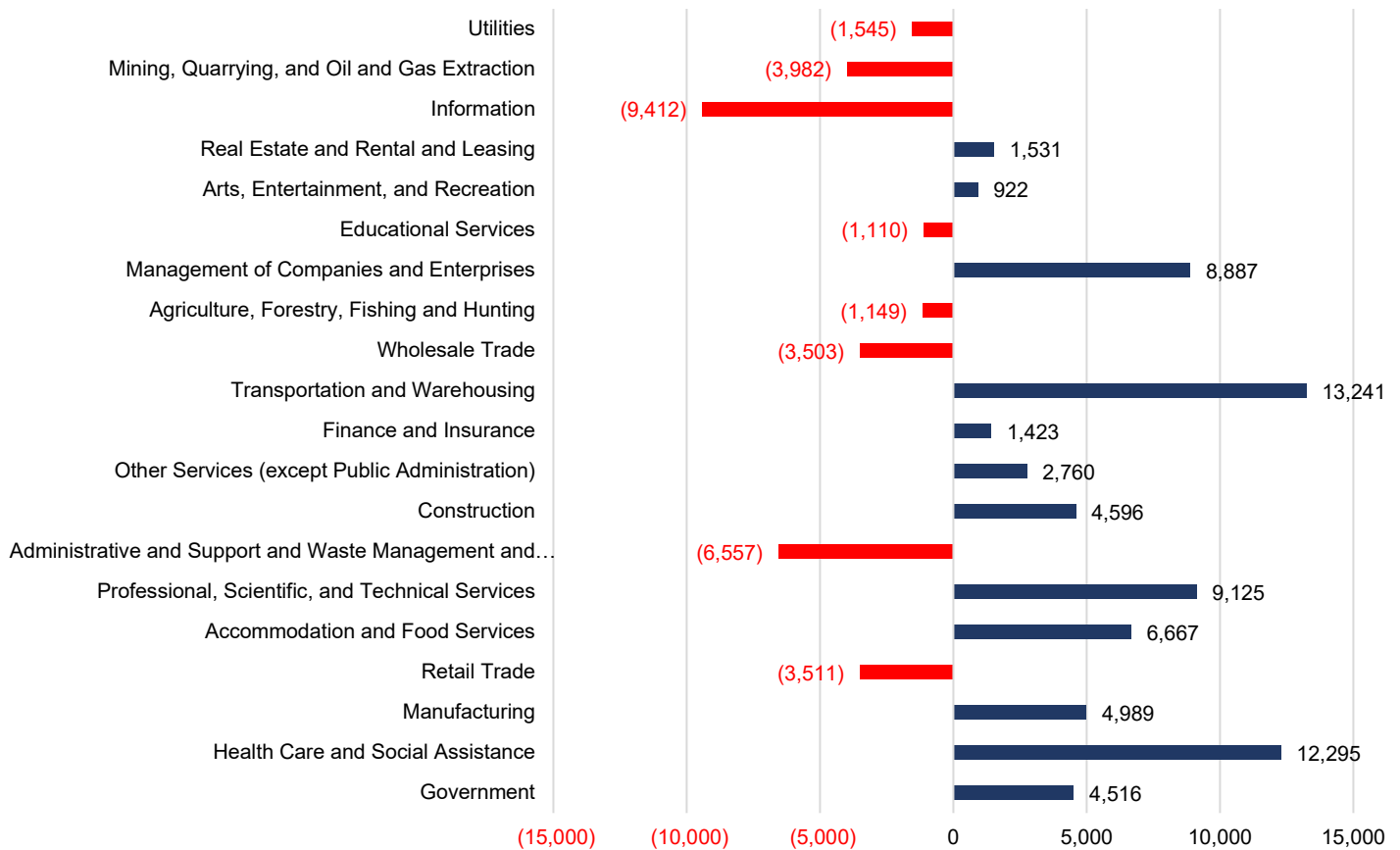
# 2019 Employment in Kansas



Source: EMSI 2020.3

During the most recent five-year period, the leading sectors for employment gains were Transportation and Warehousing, and Health Care and Social Assistance. Other areas adding jobs included Manufacturing, Construction, Professional, Scientific and Technical Services. Net job losses occurred in Information, Retail, Wholesale Trade, and Education.

## 2014-2019 Employment Change in Kansas



Source: EMSI 2020.3

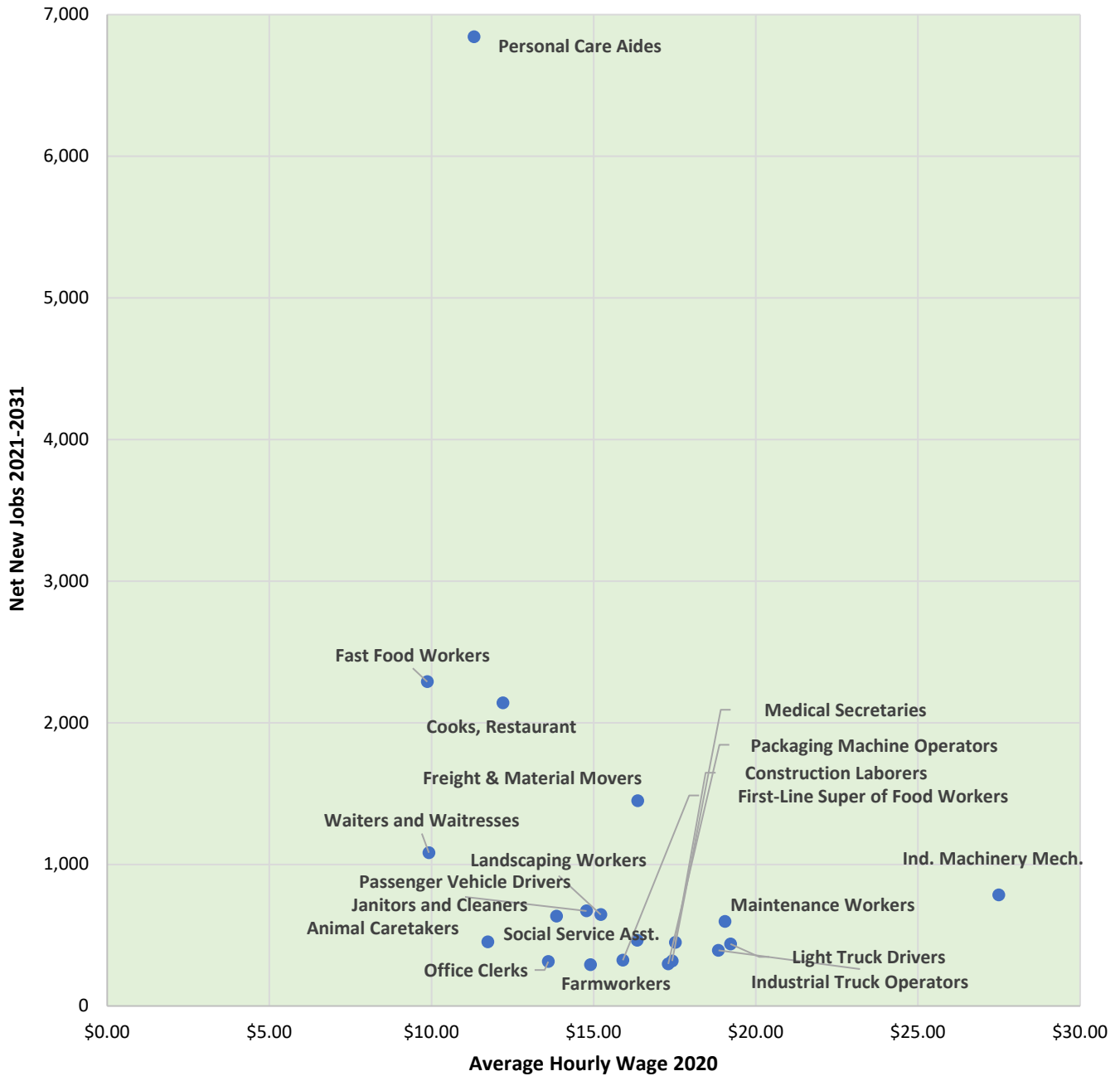
## Occupations, Wages, and Required Education Levels

Having enough workers is a challenge but ensuring that workers possess the needed education and skills is equally important. The following (**updated in 2021**) charts show the largest occupational groups that are projected to grow employment in Kansas from 2021 – 2031, along with each group’s 2020 hourly wage level. Growing occupational groups are further broken down by the minimum education level needed: those requiring a high school diploma or less; those needing some post-secondary education or training; and those needing an associate degree or more.

The first chart shows occupations with minimum educational requirements of a high school diploma or less and shows growth of almost 7,000 net new low-wage personal care aides as well as higher-wage jobs including industrial machinery mechanics and light truck drivers.



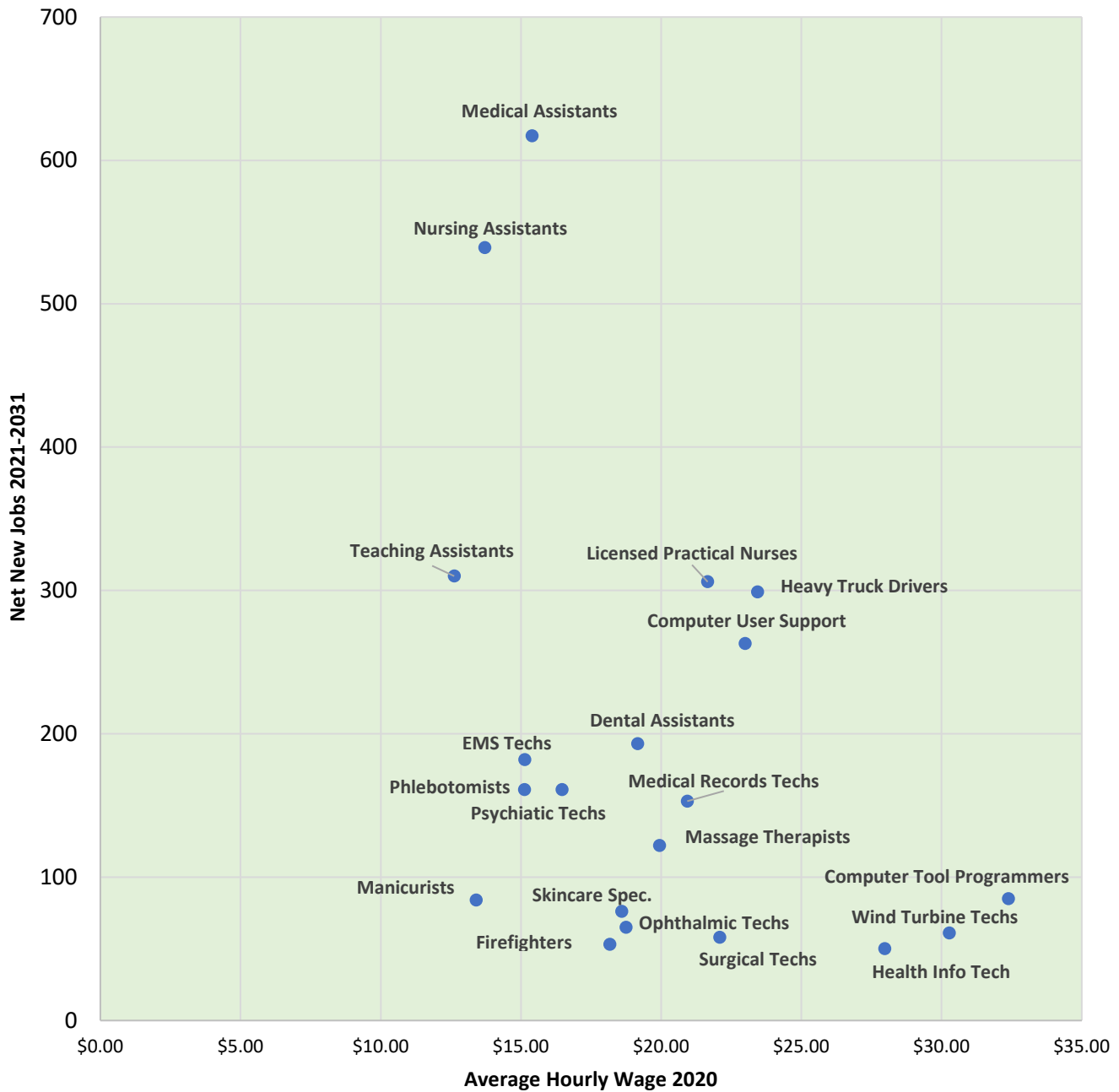
## 2021-2031 Occupations Needing High School or Less 20 Largest Growing Occupation Groups



Source: EMSI 2021.2

The next graph focuses on the important “middle-skill” category of jobs – those that require education or training past high school, but not necessarily a degree. In addition to great demand in Kansas for medical assistants and nursing assistants, other growing middle-skill occupations with higher average wages include computer tool programmers, heavy truck drivers, wind turbine technicians, and computer user support.

## 2021-2031 Occupations Needing Post High School, No Degree 20 Largest Growing Occupation Groups

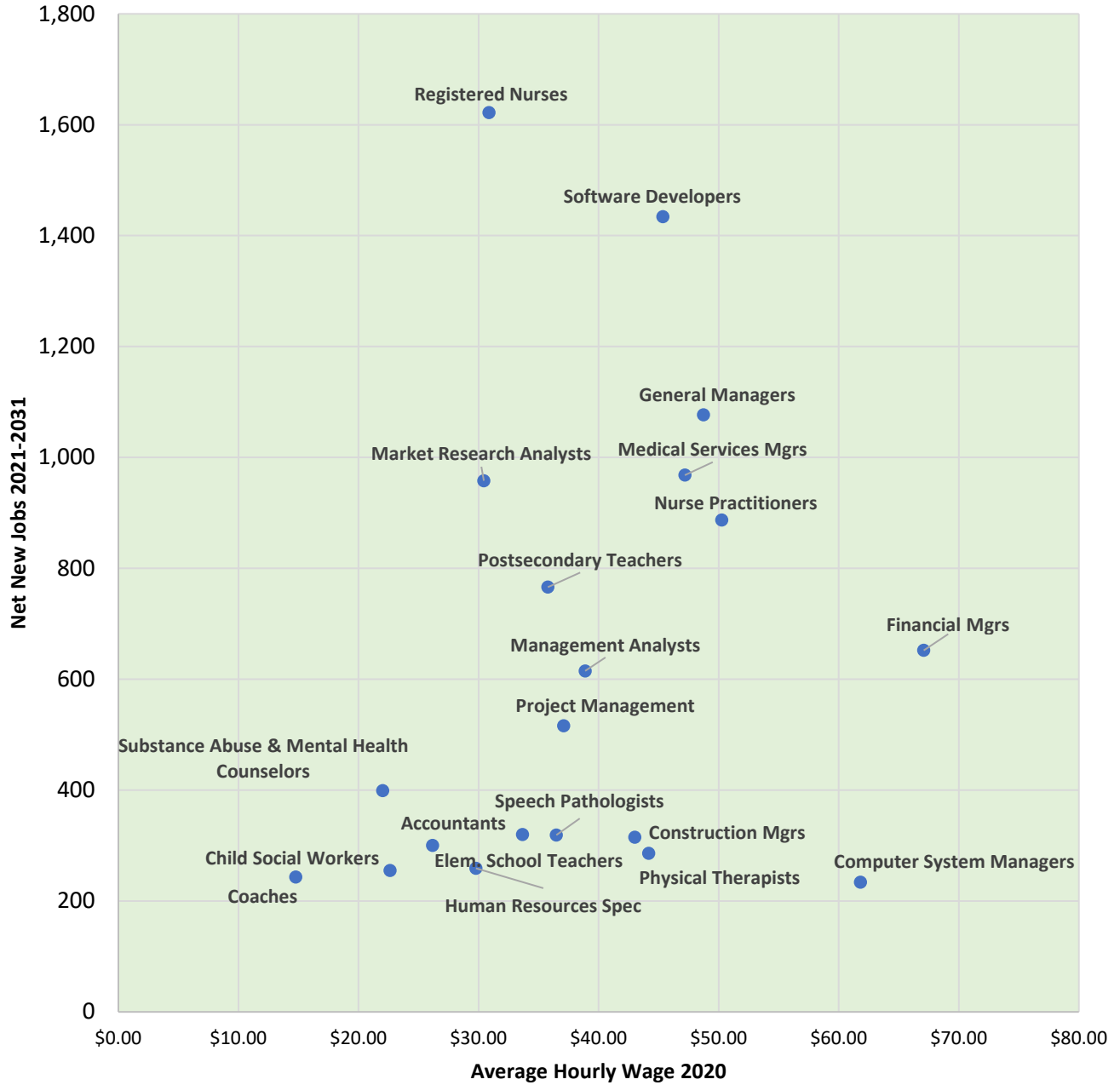


Source: EMSI 2021.2

The final occupation chart highlights growing jobs that usually require a college degree. Unsurprisingly, registered nurses are forecast to see huge demand. High-wage, growing jobs in this category include software developers, financial managers, computer system managers, and medical services managers.



## 2021-2031 Occupations Needing AA or Higher 20 Largest Growing Occupation Groups



Source: EMSI 2021.2

The challenge for Kansas is to first provide sufficient information for students and parents to understand the opportunities available and the skills requirements for those opportunities so that they can make better economic decisions for themselves and their families. Then to address the skills mismatch, Kansas needs to both develop strategies to increase the total number of available workers during the next decade and to train enough workers for the jobs that will be available with the skills in demand.

## Workforce Rankings

Improving workforce programs has been described as starting a chess game in the middle. You start with an analysis of where you currently stand. There are some national evaluations that offer insight. No individual ranking should be used to draw a specific conclusion, but collectively they provide some of the data analytics that is used by companies and people when making locational decisions.

## Regional Workforce Development Rankings

Site Selection magazine does a variety of rankings each year and is widely read by those responsible for making site investment decisions. Its ranking of each state’s workforce development climate is done by region. This evaluation does not specifically rate the effectiveness or efficiency of state-run workforce development programs, but uses five national multifactor measures that gauge the general workforce climate. In the 2019 rankings, Kansas ranks sixth out of seven West North Central states and last in the updated 2020 rankings. Minnesota Iowa, and Nebraska, ranked as the best each year.

The components in this ranking are:

1. The Workforce & Education sub-ranking in CNBC’s Top States for Business 2019.  
Kansas’ national rank = 21st
2. The Labor Supply sub-ranking in Forbes’ most recent Best States for Business.  
Kansas’ rank = 24th
3. U.S News’ Best States for Education ranking.  
Kansas’ rank = 15th
4. ACT National Career Readiness Certificate ranking.  
Kansas’ rank = 21st
5. The Workforce Preparation & Development component of the State Economic Development Program Expenditures Database, from the Council for Community & Economic Research.

### The Strengths

- Strong national education rankings

### The Challenges

- Lower national and regional workforce development ranking
- Strength of neighboring competitors
- Low apprenticeship numbers

West North Central States	2020 (updated)	2019
Nebraska	1	3
Iowa	2	2
Minnesota	3	1
South Dakota	4	5
North Dakota	5	7
Missouri	6	4
Kansas	7	6

## ACT Work Ready Communities

Kansas ranks 21<sup>st</sup> in the number of ACT National Career Readiness Certificates that have been issued to individuals in the state. ACT has issued 52,758 certificates in Kansas. However, out of 105 counties in the state, just 10 are officially participating in the ACT Work Ready Communities program, and only four counties are certified Work Ready Communities.<sup>xi</sup>

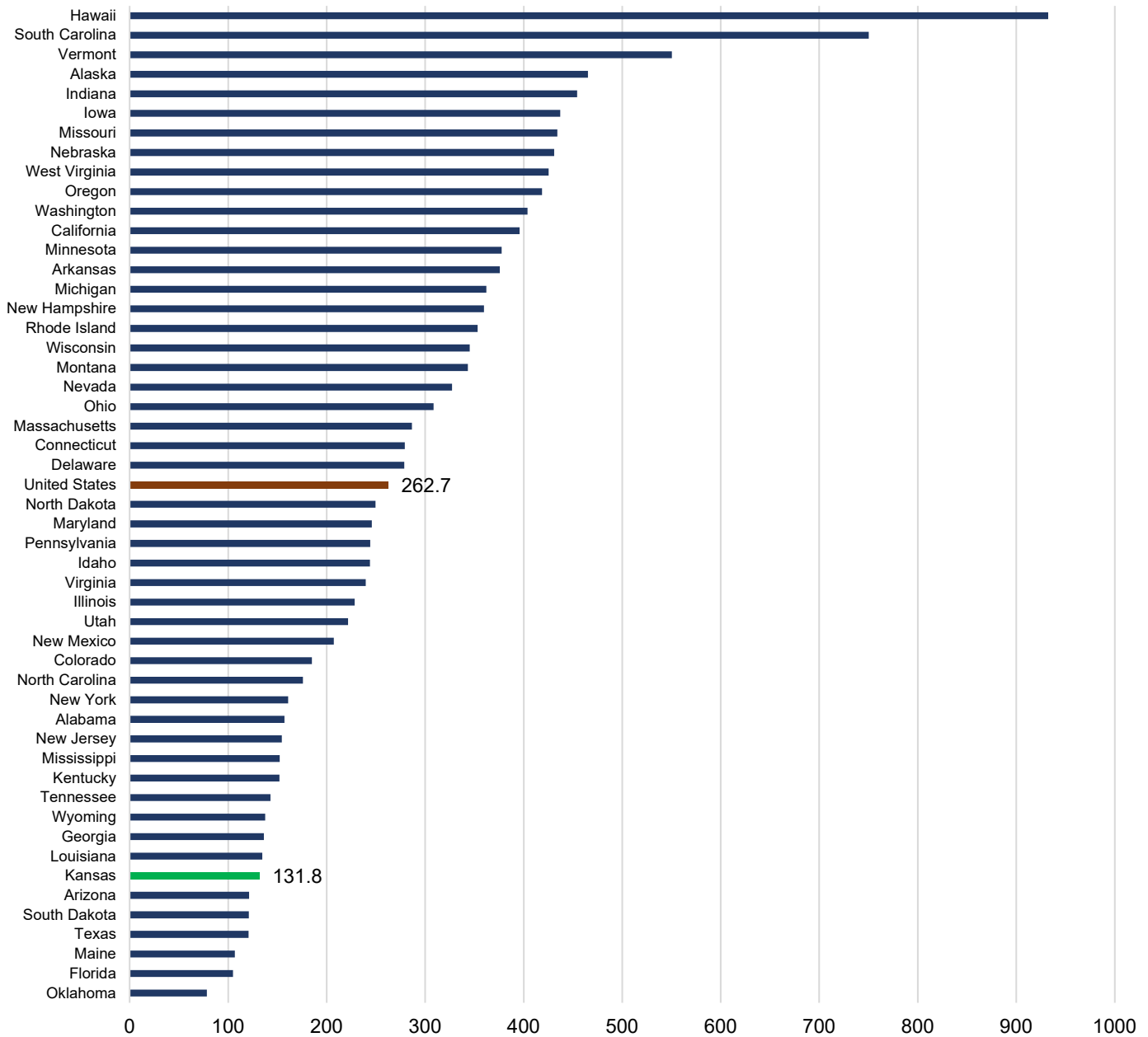
## National Skills Coalition

The National Skills Coalition (NSC) finds that 54 percent of jobs in Kansas require training beyond high school, but not a four-year degree. Meanwhile, 44 percent of the Kansas population has this level of skills training. This is similar to national averages with 52 percent of all U.S. jobs being “middle skill” and 43 percent of workers trained to that level.<sup>xii</sup>

## Registered Apprenticeships

The U.S. Department of Labor ranks Kansas 38<sup>th</sup> in the number of active apprentices and 27<sup>th</sup> in the total number of active apprenticeship programs. It ranks 36<sup>th</sup> in the number of program graduates and 42<sup>nd</sup> in the number of new apprentices.<sup>xiii</sup> When the number of active apprentices is compared to the total working age population (ages 20 - 64) Kansas’ rank drops to 44<sup>th</sup> among the 50 states. In 2019, Kansas had 131.8 apprentices per 100,000 working age population compared to 262.7 in the U.S.

## 2019 Active Apprentices per 100,000 Working Age Population



Source: U.S. Department of Labor, ETA

## Public Sector Workforce Programs

The **KANSASWORKS** workforce development system is housed within the Workforce Services Division of the Kansas Department of Commerce. The Department of Commerce also is responsible for business recruitment and other economic development activities. According to the Kansas Legislative Research Department, the

workforce services portion of the Department of Commerce annual budget has been approximately \$58 million during the last two fiscal years. This represents about 62 percent of Commerce’s total budget. According to the same source, Workforce Services Division activities are primarily funded by federal monies and no state general funds are used in the budget.<sup>xiv</sup>

According to the research organization C2ER (the Council for Community and Economic Research), Kansas’ funding level for workforce development is robust compared with its neighbors and the country as a whole. Among neighboring states, Kansas has ranked first or second for its workforce preparation and development budget in each of the last five years. During the same period, the state workforce budget ranked between fifth and 14<sup>th</sup> nationally (although each year there was no dollar figure reported in this category for about 10 states, according to C2ER’s database).<sup>xv</sup>

**KANSASWORKS** supports 26 full-time and part-time workforce centers across the state, with two veterans centers and two mobile centers. Workforce services are divided into five regions:

- Local Area I – 62 counties in the western and north-central Kansas.
- Local Area II – 17 counties in the northeastern part of the state.
- Local Area III – consisting of the three largest counties in the Kansas portion of the Kansas City MSA.
- Local Area IV – six counties in south-central Kansas including most of the Wichita MSA.
- Local Area V – 17 counties in the southeastern corner of the state.

Local Area III has the largest population of any region at 844,200, while Local Area V has the smallest population at 270,800.<sup>xvi</sup>

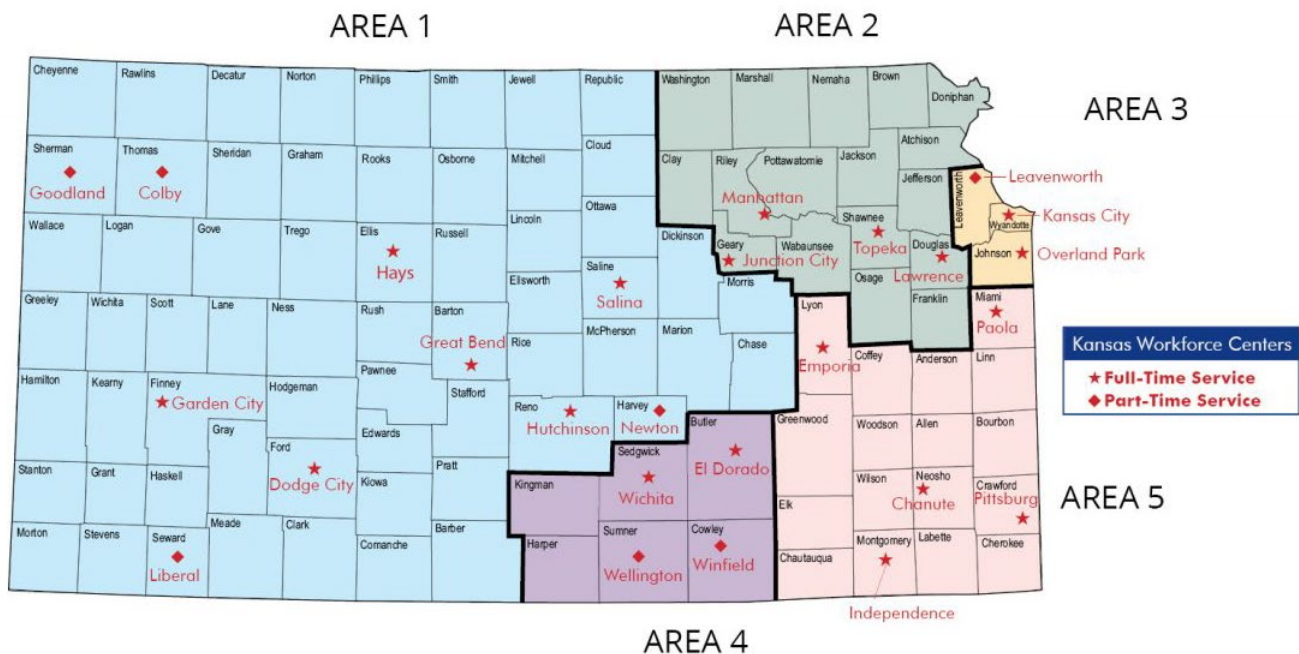
## The Strengths

- Federal funding
- Positive **KANSASWORKS** marks from participating employers
- Recognition of the challenges and a desire to improve

## The Challenges

- Complex and often confusing federal system
- Staffing trials in rural offices
- Harder access for smaller companies
- Client driven, not business needs driven

## KANSASWORKS REGIONS





Many stakeholders interviewed for this report have had positive experiences with **KANSASWORKS** centers, but almost all said that few in the business community are aware of the centers and what they have to offer. They also said that workforce centers often work well with the largest employers, while small and mid-sized employers have more difficulty accessing services. One firm with 160 employees said they tried to interact with the system but “got lost” in the shuffle. Another summarized the workforce system as effective, but with a limited audience. Finally, the quality of staffing and services was praised in areas like Wichita, Topeka, and Lawrence, but stakeholders acknowledged that the ability to retain good staff at workforce centers and find specialized partners in rural areas is much more difficult.

### **Kansas’ WIOA State Plan**

Like other states, Kansas’ primary source of workforce development funding is through the federal Workforce Innovation & Opportunity Act, or WIOA. The latest WIOA state plan for Kansas is from fiscal year 2018. Similar to most other state plans, Kansas’ plan reflects the bureaucratic and segmented style of the federal workforce act, and is difficult for policy makers and economic development partners to follow. Numerous interviewees characterized WIOA as a “convoluted” system having too many rules and restrictions and not being nimble or flexible. For these reasons, businesses in Kansas do not widely use the system to access services.

Highlights of the state’s WIOA plan are summarized below.

#### Economic and Workforce Analysis:

Economic and workforce data in Kansas’ 2018 WIOA plan extends through the year 2016.

- The statewide labor force decreased slightly in both 2015 and 2016.
- Population growth was barely positive (+0.1%) in 2016.
- Personal income growth in 2016 was 0.5 percent, ranking 43<sup>rd</sup> in the United States.
- In 2016, labor productivity in Kansas was higher than in neighboring Missouri, but lower than Colorado, Nebraska, and Oklahoma.
- Industries with the most job vacancies in Kansas were trade, transportation, and utilities; education and health services; and leisure and hospitality.<sup>xvii</sup>
- Among the largest private sector industries, employment growth was concentrated in finance and insurance, and health care and social assistance. Manufacturing lost jobs and was still significantly lower than pre-recession employment levels.
- The labor force participation rate was 67.1 percent.
- “Kansas does not maintain a complete skill gaps analysis.”<sup>xviii</sup>

#### Capacity Issues in the Workforce System:

- Flat funding since 2002 (adjusted for inflation, funding has declined by \$1.5 million) has led to declining client enrollment.
- Service provision in rural areas is more expensive because of lack of economies of scale.
- Gaps exist in the service provider network in rural areas.
- Even at full staff, Vocational Rehabilitation only has capacity to serve about five percent of working-age Kansans with disabilities.
- Young people (especially those with disabilities) need more work experience opportunities.

#### Key Goals and Strategies of the State WIOA Plan:

**1. Build career pathways.** The Kansas Board of Regents, employers, colleges, and universities have worked together to create 25 aligned pathway programs since 2011. Pathways are designed for participants to obtain at least one postsecondary credential.

**2. Expand work-based learning for young people.** This should include a wide variety of options (full-time paid work, on-the-job training, pre-apprenticeships, internships, job shadowing) and address both soft skill and technical skill development. Youth employment should be a “central element” of every local area’s employer engagement strategy with an emphasis on paid work opportunities.

**3. Improve adult education and upskilling.** The Accelerating Opportunity: Kansas or AO-K program aims to deliver basic skills and career and technical education (CTE) to adults at the same time using a team-teaching format. AO-K helps with GED completion, offers short-term certificate programs in pathways like healthcare and automotive technology, and provides increased support services.

**4. Encourage CTE for high school students.** The Excel in CTE program provides free college tuition for high school students and incentivizes school districts when their students earn credentials in high-demand occupations. A number of stakeholders mentioned Excel in CTE as helping to reduce the stigma of alternatives other than a four-year college degree.

**5. Boost the number of graduates in key need areas.** Recent state initiatives address shortages in both nursing and engineering, but stakeholders are concerned about the percentage of Kansas university graduates in these fields leaving the state.

**6. Better track students from Pre-K-12 through workplace outcomes.** Kansas plans to expand the Statewide Longitudinal Data System to integrate workforce data and match education and training data with workplace outcomes to better evaluate existing programs.

**7. Improve work outcomes for Kansans with disabilities.** End-Dependence Kansas is a collaboration among five state agencies. Goals are to see at least 2,000 more disabled residents in market-competitive employment with more people getting market-rate jobs in their communities rather than segregated, sub-minimum wage, or sheltered employment.

**8. Prioritize the Governor’s set-aside funding.** Depending on the amount of set-aside funding received from WIOA, Kansas plans to use these funds for enhancing several program areas:

- funding a Registered Apprenticeship program manager;
- increasing services for military service members transitioning to civilian life;
- reducing recidivism among incarcerated youth via skills training, job search training, resume development, and interviewing techniques; and
- improving services for workers 55 and older.

Focus Areas from the 2019 **KANSASWORKS** Report:

The **KANSASWORKS** annual performance report for the program year ending June 30, 2019 discusses how well the agency meets the needs of employers. However, as it states, “Kansas does not have state-specific measures/indicators established” to gauge business satisfaction.<sup>xix</sup> Kansas has begun a pilot project to collect data including the percentage of businesses that are repeat customers.

Kansas is making progress on expanding Registered Apprenticeships (RAs). In 2019, the state received a \$932,000 grant from the U.S. Department of Labor for a three-year expansion effort. The grant will allow funding for local areas to hire three staff members dedicated to the RA program. Goals include the development of new apprenticeships in Manufacturing Technology, Information Technology, Engineering, Construction & Trades, and Healthcare. **KANSASWORKS** will attempt to better integrate RAs into career pathways and promote apprenticeships for high school students. It also will market the RA program to military veterans, transitioning service members, and military spouses.<sup>xx</sup>

Another area of focus is postsecondary education for incarcerated juveniles. The Department of Commerce is contracting with Washburn Institute of Technology to upskill residents at the state's only juvenile facility in Topeka. Participants enter the Skilled Trades Career Pathway and move toward a two-year degree. In two semesters of training, 220 juvenile offenders participated, earning 358 certificates and receiving 15 on-the-job training placements.<sup>xxi</sup>

Initiatives across the state that were highlighted in the 2019 report:

- Local Area II in northeast Kansas is a partner in the 10-week Heroes MAKE America program, along with The Manufacturing Institute, Washburn Tech, and others. The program helps exiting soldiers from Fort Riley and Fort Leavenworth transition into manufacturing careers. Training includes soft skills for the civilian workplace, and training and testing for the National Career Readiness Certificate. Sixty soldiers completed the program in the 2018-19 program year.
- Try-Out Employment (TOE) is a subsidized, short-term program for individuals with multiple barriers to employment in southeast Kansas' Local Area V. TOE participants work up to 32 hours a week for up to eight weeks. TOE wages are subsidized up to 100 percent, giving businesses a no-cost, short-term labor solution while giving the worker a positive work history. Training includes soft skills learning sessions that begin after their work start date so real-time barriers and issues can be addressed. Individuals also receive help with costs for work clothes, tools, and transportation. There were 62 Try-Out Employment participants in the report year, with 55 completing their work experience successfully.

### **Evaluation of Skill-Development Policies at the State Level**

The National Skills Coalition (NSC) has several measures of state policies to address skills gaps and mismatches. NSC finds that Kansas is doing a good job with policies that expand access to middle-skill training. It lists Kansas as one of nine states that have adopted all four skills equity policies.<sup>xxii</sup> Neighboring Colorado is also on that list. The four skills access policies are:

- Job-driven financial aid policy
- Stackable credential policy
- Integrated education and training policy
- Alignment policy to create career pathways.

### **Local Area I Success Story:**

As part of the End-Dependence Kansas program, western Kansas staff assisted Sean, an inmate with physical and mental disabilities and a felony conviction. Working with Sean four months before his release, they helped him secure a CNC Machine Operator position at \$14.13 per hour and full benefits. He had been at the job five months at the time of the report.

In other topics, the National Skills Coalition found in 2017 that Kansas does not have a work-based learning policy and does not have an industry sector partnership policy or funding in place.<sup>xxiii</sup> In 2018, NSC reported Kansas is doing a good job in collecting data and measuring the attainment of non-degree credentials.<sup>xxiv</sup>

Addition regional information is included in appendix 2.

## Conclusions: Strengths and Weaknesses of the Kansas Public Workforce System

- Kansas' public workforce system appears similar to many other states, in that it is largely federally funded and the design of its activities follows the federal Workforce Innovation & Opportunity Act (WIOA) format. The state's WIOA plan is meant to respond to the countless federal requirements, rather than being responsive to economic development partners or businesses. The problem is, as one stakeholder said, that the system is "not designed to meet business needs." Kansas has taken steps to address this, but there remains a need for better integration with other economic development efforts.
- Workforce services are part of the state's Department of Commerce, which includes other economic development programs. This is a positive for Kansas. However, Commerce could collaborate more with the Departments of Labor and Education to raise the profile of education and training services. All these state agencies could do more to promote the reality that workforce availability and quality is not just *an* important business issue, it is *the* most critical factor in business location decisions.
- **KANSASWORKS** workforce centers across the state vary in quality and the array of services they can offer. Centers in the larger cities often get very good reviews. The ones in rural Kansas are stretched thin, have trouble retaining quality staff, and in some cases are just too far away from their customers.
- In terms of business interaction, some centers have great, long-term relationships with larger employers. Firms appreciate the responsive service and the ability to tap federal grant funds. But there is a general lack of awareness of **KANSASWORKS** offerings among most companies (especially small and mid-sized firms) and still the stigma that centers provide only the most basic services for low-level jobs and the lowest-skilled workers. Too many employers have no relationship with the public workforce system. Interviewees report that many centers are not well-connected with the business community. One problem is that WIOA funds are not to be used for marketing purposes, making outreach more difficult. **KANSASWORKS** centers and local or regional chambers of commerce could partner more to raise awareness of workforce offerings among chamber members.
- State and regional WIOA plans still focus more on individual employee clients and services for them by category and not enough on business engagement. Stakeholders report that in actual operations, Kansas



centers increasingly take a more balanced approach, but more business engagement is needed.

- The biggest program-specific issue cited by interviewees is the Registered Apprenticeship program, described as cumbersome, slow, and expensive. One suggested that having a state-run program just adds another layer of bureaucracy (across the U.S., Registered Apprenticeship programs run directly through the federal government in 25 states, and are state-run in 25 states, including Kansas.) Perhaps the state's emphasis on adding more program coordinator staff will improve its operation. In any case, a strong effort should be made to make it easier and quicker for businesses to access. In addition, Kansas should have a toolkit to help businesses create more industry-recognized apprenticeships – particularly for medium-sized and smaller firms that have no experience with apprenticeships.
- An opportunity exists for workforce center staff (along with area businesses) to get into junior high and high school classrooms more often to increase awareness of regional career opportunities.
- The state's online job board gets a C+ grade from one interviewee, who noted that it is operated in conjunction with several other states, making it difficult to customize for needs in Kansas.
- Finally, and critically, the workforce system was not designed to tackle the state's number one problem, the lack of population and labor force growth. Workforce services leaders could partner more with economic developers and businesses to promote the kind of career opportunities in Kansas that can boost talent retention and contribute to talent attraction.



## Priorities and Best Practices

Listening to stakeholders representing business, government, education, and workforce training across Kansas, as well as analyzing workforce and demographic data, a few key themes for workforce improvement become clear. This section explores the three top priorities for strengthening workforce quality and quantity in the state. It also highlights best practices – from across the U.S. and in Kansas – in these areas of workforce improvement most relevant to Kansas. Adopting and scaling innovative practices can help Kansas address its most pressing workforce challenges.



## Expand Work Experience and Work-Based Learning for Kansas' Youth

Stakeholders repeatedly stressed that the lack of workplace experience among young people is a major impediment. This problem expresses itself in high school students with no concept of the career opportunities available around them and what is needed to pursue those. It is evident when young people finally do get a job but do not understand basic workplace expectations nor how to communicate with co-workers and customers. This also is seen among Kansas college graduates who spend years and great sums of money for a degree in a specific discipline, but because of their lack of work experience they often find the type of work to be unsuitable.

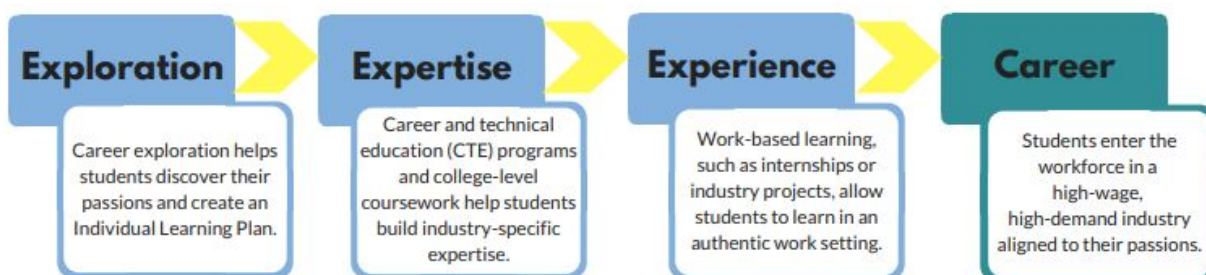
A number of common-sense steps could increase work opportunities for young people and improve school learning that involves workplace principles:

- A. Revise labor laws in Kansas for people under age 18 to safely open up more work opportunities.
- B. Solve the liability and insurance coverage issues for businesses that host student workers, summer interns, job shadowers, and mentees.
- C. Get more Kansas businesses inside the K-12 schools and reach students at earlier ages regarding regional career options.
- D. Kansas colleges and universities need to aggressively partner with their regional businesses to offer more internships and other work opportunities for their students.
- E. The Excel in CTE program is making good progress, but it should be closely linked with paid summer internships and avenues to apprenticeships.
- F. Providing K-12 teachers with summer externships can significantly increase career awareness in Kansas schools.

## Best Practices in Work Experience and Work-Based Learning

- Rhode Island: **PrepareRI** was launched in 2016 as a partnership of the state government, private industry, the K-12 public school system, universities, and non-profits. The initiative is based on the premise that all young people “will need some form of postsecondary credential and practical work experience to be successful.” Among PrepareRI’s near-term goals are: 1) all career pathway programs will be aligned to high-demand careers in Rhode Island and 2) all students will have access to a work-based learning experience, such as an internship in a relevant field.

## The PrepareRI Model



The PrepareRI Internship Program offers paid summer internships for high school juniors. Students are matched with internship opportunities by the non-profit Skills For Rhode Island’s Future, which partners include the Greater Providence Chamber of Commerce. Interns are paid \$11.25 per hour, can work up to 240 hours, and receive work readiness skills training.<sup>xxv</sup>

- West Virginia: The state’s **Simulated Workplace** initiative turns classrooms into student-run business environments. Student teams create their own businesses and learn punctuality, workplace safety, and technical skills. Team projects are evaluated onsite by regional business owners. Simulated Workplace was created in 2013, and by 2015 was used in more than 500 classrooms impacting more than 13,000

students. Simulated Workplace is one reason why West Virginia was hailed in a 2017 New York Times article as “leading the way in transforming vocational education.” Thirty-seven percent of seniors in the state completed a technical education program in 2016, compared with 18 percent in 2010.<sup>xxvi</sup>

- Arkansas and Alabama: School guidance counselors are generally spread too thin to offer useful career guidance and usually lack the training to do so. As a result, separate career coaching programs are growing in importance. **Arkansas’ College and Career Coach** initiative started in 2010 in 21 impoverished counties and has been expanded across the state. College and career coaches help students in the 7th to 12th grades with individual career planning, tutoring and study groups; support services for low-income students; and work experience. Career-focused metrics like credential attainment and work-based learning are used. The state’s two-year colleges serve as program hosts.

In Alabama, regional **Career Coaches** are responsible for networking with businesses in their regions and preparing workforce demand reports, particularly for use in high school CTE programs. Career coaches also provide employability skills training and arrange job shadowing and industry tours. Alabama now has 93 career coaches based at the state’s workforce centers and serving 366 schools.

- Kansas: The **Center for Advanced Professional Studies (CAPS)** network of schools is based on core values that include profession-based learning; responsiveness to high-skill, high-demand careers at area businesses; professional skills development (such as time management and workplace expectations); and an entrepreneurial mindset. CAPS states that relationships with business, industry, and higher education are “critical” to the program’s success. CAPS high schools can be found in the Kansas City area, Topeka, Pittsburg, and Andover, as well as in 18 states across America. Corporate partners include Cerner, Black & Veatch, Accenture, and Burns & McDonnell.

In Wichita, the **Helping Youth Prepare for Employment (HYPE)** program is a collaboration between the Workforce Alliance of South Central Kansas, the Greater Wichita YMCA, the City of Wichita, the local school district, and Wichita State. Activities include job fairs, a Youth Essential Skills Certificate, financial literacy training, and summer employment. In 2019, HYPE’s **Youth Employment Project** served over 3,000 students total, with more than 1,000 placed in paid summer jobs (up to 20 hours a week) with 170 employers.

**Jobs for America’s Graduates/Kansas (JAG-K)** is a 501(c)3 non-profit that partners with public schools to offer an elective class that provides academic and other positive supports to ensure students earn their diploma. By exploring career opportunities and practicing soft skills, students are prepared to successfully transition to post-secondary education, military service, or into the workforce following their graduation. JAG-K had 79 programs in 41 school districts in Kansas during the 2019-2020 school year. Most recent available data show the program successfully placed 96% of its students full-time in the combination of work or college alone or together equal to a 40-hour weekly commitment of time.

The Manufacturing Institute launched its “**Heroes Make America**” program in Kansas in 2018 in partnership with the Fort Riley Army base. The program helps service members transitioning out of the military as well as veterans, reservists and military spouses earn the industry-specific skills, certifications, and connections necessary to establish a fulfilling career in manufacturing. The Heroes program also provides employers with best practices and tools to help them attract and retain this talent in their workforce. The program has a 90% placement rate of its graduates.

## Talent Retention and Attraction

In a state with little population growth, having enough qualified workers is clearly business’ toughest challenge, but many stakeholders believe that Kansas lacks a sense of urgency in the “war for talent.” Given the difficulty

of recruiting talent to a relatively small, Midwestern state, talent retention is likely to be the more successful strategy. However, Kansas should increase efforts in both retention and attraction – especially targeting young people. Some strategies for increasing talent retention and attraction:

- A. Tie Kansas college and university scholarships – such as the state’s nursing and engineering student initiatives – to residency requirements in Kansas after graduation.
- B. For attraction efforts, focus on young professionals in Midwestern cities such as Denver, Dallas, and Omaha. Those out of college for several years and those forming families (around age 30) are more likely to consider moving to smaller, more affordable locations.
- C. Target potential “boomerangs,” those young adults originally from Kansas. Others with a background in rural or small-town America also may be responsive.
- D. Promote and support immigration and stress the importance of being a welcoming community.
- E. Highlight community diversity. Kansas has relatively low diversity (about 445,000 fewer racially and ethnically diverse people than would be expected based on its size and national averages), and virtually all population growth in the U.S. is expected to come from minority groups. Highlighting success and satisfaction among minority residents will help demonstrate that Kansas communities welcome diversity.
- F. Promote the amenities, quality of life factors, affordability, and place-making improvements that appeal to young families.

### Best Practices in Talent Retention and Attraction

- Wisconsin: The state has invested \$6.8 million, in its **THINK•MAKE•HAPPEN** talent campaign. Strategies include targeting young professionals in nearby metropolitan areas like Chicago, reaching out to alumni of Wisconsin universities, and visiting U.S. military bases around the U.S. and the world to meet military personnel leaving active duty and promote work opportunities for them in Wisconsin.



At the regional level, a group of small cities and businesses in Wisconsin’s Fox River Valley collaborate to recruit graduates of colleges and universities around the Midwest. The Fox Cities Regional Partnership annually hosts a three-day **Talent Upload** tour to introduce students with in-demand majors to the region’s culture, amenities, and career opportunities.

- Oklahoma: Many employers in Kansas are aware of, and envious of, Oklahoma’s **Aerospace Industry Engineer Workforce Tax Credit** program which rewards both employees and employers. Started in 2009, the program provides state tax credits for five years to the company that hires aerospace engineers and to the engineers themselves. In the program’s first six years, it helped attract more than 4,200 aerospace engineers with average wages of \$80,000 annually, approximately \$287 million in total wages.<sup>xxvii</sup>

Oklahoma City has made progress on the two primary elements of talent attraction and retention: quality of life improvements and messaging. Voters approved three different one-cent sales tax increases to fund place-making improvements and public school support. Initiatives such as **MAPS** and **Project 180** have resulted in a 70-acre central park, a new streetcar system, hike-and-bike trails, public art, riverfront improvements, and senior health and wellness centers.<sup>xxviii</sup> Meanwhile, Oklahoma City’s **ABetterLifeOKC.com** website is aimed at young professionals. The nationally-recognized site includes a cost-of-living conversion page that quickly shows viewers how far their salaries will go in the city.<sup>xxix</sup>

- Arkansas: The **Arkansas Future Grant** program provides tuition grants for STEM majors pursuing an associate degree. Recipients must work in Arkansas for three years or the grant becomes a loan.

The Northwest Arkansas Council developed the **Finding NWA** program to help businesses deliver information on the region's quality of life, recreation, and entertainment options to out-of-state job candidates. Northwest Arkansas also hosts a **Young Professionals Summit** annually with a goal of retaining and developing young talent.



- Belknap County, New Hampshire: The small Lakes Region of New Hampshire, about two hours north of Boston, has a very high median age. In 2013, the Belknap Economic Development Council began a campaign to attract young people, particularly natives who have left the area. The campaign uses social media, a revamped website with a "Meet Our Young Talent" section, and radio ads.

- Kansas City Region: Several organizations and business groups in metro Kansas City launched **Gateways KC** in 2016 to help the region become more welcoming to recent immigrants and potential international arrivals. Gateways KC embraces research showing that immigration is a key factor for population growth, STEM talent growth, and increased entrepreneurship. Gateways KC has developed a toolkit for local governments to welcome and assist newcomers from foreign countries. It includes a focus on economic development, such as smoothing immigrants' paths to entrepreneurship and helping companies understand federal immigration rules.



- Kansas: Wichita has taken a page from Oklahoma City's place-making and messaging efforts. In 2018, the Greater Wichita Partnership adopted a talent attraction strategy, working with the leading economic development marketing firm Development Counsellors International. The Partnership now operates the **Choose Wichita** brand and website, and has developed an Employer Toolkit for talent recruitment and retention. Meanwhile, the **Project Wichita** and **Project Downtown** initiatives have focused on improving quality of life amenities downtown and along the riverfront.

### **Increasing and Improving Apprenticeships**

The use of apprenticeships that enable individuals to get paid work experience with mentoring and to move along a defined career path (typically with no debt) is a significant and growing trend in America. Looking just at federally-established Registered Apprenticeships (RAs), the number of new apprentices in America increased by 128 percent from 2009 to 2019. In 2019, more than 250,000 people entered an RA program and 81,000 individuals completed an apprenticeship.<sup>xxx</sup> Still, the use of apprenticeships as an important workforce tool in the U.S. lags far behind European nations. While less than five percent of young people in America are apprentices (largely in the construction trades), around 60 percent of young Germans and 70 percent of young people in Switzerland are in apprenticeship programs that cover nearly all sectors of the economy.





Kansas should expand both federally approved Registered Apprenticeships and industry-recognized apprenticeships. Among the strategies for achieving these:

- A. Ease the administrative burden on individual businesses by having other organizations serve as the official sponsoring entity for a Registered Apprenticeship program. Other entities that can serve this important role include local or regional workforce boards, technical colleges, and industry association groups.
- B. Convene regional industry groups, unions, chambers of commerce, workforce centers and education partners to develop more industry-recognized apprenticeship programs (IRAPs) for leading regional sectors and in-demand occupations.

### Best Practices in Apprenticeships

- Alabama: One state heralded for its apprenticeship programs is Alabama. In order to expand the number and variety of apprenticeships, the state created an



**Alabama Office of Apprenticeship (AOA)** in 2019. Some highlights of Alabama’s approach include:

- Legislation creating the Alabama Industry-Recognized and Registered Apprenticeship Program (AIRRAP) ensures that one agency – the AOA – will be accountable for both major types of apprenticeships across the state.
- Since 2016, Alabama provides employers an **Apprenticeship Tax Credit**, and since that time, has expanded the per-apprentice credit and the number of apprentices for which a business can claim the



credit.

- The state also established a high-level **Alabama Apprenticeship Council**, with representation including the governor, state House and Senate leaders, heads of the community college system and K-12 education system, and business organizations.
  - The AOA has established five key sectors for the industry-recognized apprenticeship program: Healthcare; Construction/Carpentry; Information Technology; Distribution/Transportation & Logistics; and Advanced Manufacturing/Industrial Maintenance.
  - A **Governor's Office of Education and Workforce Transformation (GOEWT)** is responsible for increasing alignment of apprenticeship activities between AOA, the community colleges, and the state department of education.
  - The state's community college system obtained a \$12 million grant from the U.S. Department of Labor to expand public-private apprenticeship partnerships in three industry sectors.
  - Under AIRRAP, a youth track toward apprenticeships has been established. Students will start with career and work exposure events in 7<sup>th</sup> and 8<sup>th</sup> grades. By 9<sup>th</sup> grade, youth concentrating in CTE can access pre-apprenticeships. In 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> grades students can participate in youth Registered Apprenticeships or youth industry-recognized apprenticeships.
  - AOA has four regional staff persons across Alabama, and a technical staffer to manage tax credits.
- South Carolina: Another highly-regarded state system for Registered Apprenticeships is **Apprenticeship Carolina**, operated by the South Carolina Technical College System. The system recently had more than 34,000 apprentices in more than 1,000 federally registered programs and 200 plus youth apprenticeship programs. All 16 technical colleges participate and all 46 counties of the state are represented.



Within South Carolina, the Charleston region and Trident Technical College are standouts for both adult and youth apprenticeships. Major employers such as Bosch, Boeing, and Volvo have found the programs valuable. Bosch notes that retention of employees who completed an apprenticeship is five times greater than for external candidates and that the average tenure of a skilled trade employee at its Charleston facility is 17 years.<sup>xxxi</sup>

- North Carolina: Serving as the **official sponsor of Registered Apprenticeships** is another role that some **community colleges** have undertaken. Having a community college as the sponsor relieves employers of some of the administrative and regulatory burden. Community colleges serving this role include North Carolina's Gaston College and Alamance Community College.

- Colorado: The **CareerWise Colorado** initiative, started in 2016, has an ambitious goal for advancing youth apprenticeships: 20,000 youth apprenticeships within ten years. Like the Charleston, SC region,



CareerWise Colorado is part of the national **Partnership to Advance Youth Apprenticeship**. CareerWise borrows from the Swiss apprenticeship model. Three-year apprenticeships start in the junior year of high school and are available in five major industry sectors. Funders include the Gates Foundation, JPMorgan Chase, the Walton Family Foundation, and United Healthcare.

- Kentucky: The Commonwealth of Kentucky’s robust apprenticeship programs include innovations such as:
  - 1) **Intermediaries** in four industries – automotive, insurance, telecommunications, and welding – that assume administrative responsibilities for Registered Apprenticeships. Intermediary services are particularly helpful for small and medium-sized companies.
  - 2) The new **Tech Ready Apprentices for Careers in Kentucky (TRACK)** youth apprenticeship program. Kentucky found that in the 2017-18 school year there were 65,400 high school students with a CTE concentration, but only 4,100 also had a job. The TRACK program has nine career pathways, provides paid employment opportunities, and after high school the student transitions directly into an employer’s Registered Apprenticeship program.<sup>xxxii</sup>
- Missouri: The Missouri Chamber of Commerce and Industry, though its foundation, successfully competed for a federal Closing the Skills Gap apprenticeship grant. The four-year grant is expected to assist more than 5,300 apprentices in the IT sector and includes commitments from seven sponsoring companies, utilizing at least 15 separate Registered Apprenticeship programs.
- Wichita: Early in 2020, a new, two-year **aerospace tooling apprenticeship** for the Wichita region was announced by Textron, WSU Tech, and the International Association of Machinists and Aerospace Workers. Participants will earn a full-time salary and benefits. Textron will cover tuition and fees at WSU Tech. The initial class size is expected to be 15.

## The Chamber’s Role in Spurring Workforce Improvement

Stakeholders praised the Kansas Chamber’s pragmatic approach to workforce development, such as the Chamber’s urging of reform for laws covering workers under 18 years of age and liability coverage for businesses that host students in the workplace. They also appreciate what they see as comprehensive economic messaging from the Chamber. This messaging includes highlighting the importance of a high-quality workforce, promoting the quality of life in Kansas, and emphasizing the contributions of small and medium-sized businesses.

Beyond that, the leaders interviewed urged the Chamber to take a practical, business-oriented approach to education. They stressed that the Chamber and the state’s Department of Commerce should present a “unified front” on workforce and education priorities. They believe that the Chamber can occupy a critical role in encouraging Commerce, the Governor’s office, and the Legislature to prioritize issues of talent, education, and workforce training and develop a clear vision for how Kansas will improve in each of those areas.

Several stakeholders mentioned the need for state, regional, and local chambers to help small and medium-sized businesses become more involved in these issues and engaged with education and workforce service providers. In particular, they said that more businesses of all sizes should be getting into K-12 schools and letting young people know about career options available in their own region. This would include more mentoring, site visits, and job shadowing.

Finally, interviewees cautioned that given the Kansas Chamber's size and capacity, it needs to stay high-level on advocating for important issues and not get spread too thin. As one stakeholder said, the Chamber has a "big microphone" and should use that strong voice to exert its leadership and advocate on key topics. Instead of getting "in the weeds" on workforce and education, the Chamber should partner wherever possible to accomplish goals of advocacy, policy reform, and business engagement. Local and regional chambers may be able to carry out more granular programming.

## The Kansas Chamber Weighs In

Education and workforce development priorities in the Chamber's 2020 Legislative Agenda include:

- Support work-based learning for high school students by limiting liability for participating businesses;
- Limit certification restrictions to allow more subject matter experts to teach;
- Align resources and curricula between K-12 and higher ed to meet the workforce needs of Kansas businesses;
- Include computer science as a core science elective.

More recently, the Kansas Chamber's Relief & Recovery Agenda promotes these workforce and education policy initiatives:

- Expand the Registered Apprenticeship program with more support services around in-demand jobs;
- Provide scholarships for graduating high school seniors in Kansas to pursue high-demand occupations;
- Incent community colleges to develop short-term certificate programs that retrain displaced employees;
- Allow school district insurance to cover liability for students in internships, apprenticeships, and other work-based learning programs.

## 20 Recommendations for Improvement

The recommendations below are focused on five critical workforce issues facing the state, each offering opportunities for improvement during the next few years. Implementing these recommendations will require a broad coalition of organizations, engaged business leadership, and sufficient resources. These recommendations also position the Kansas Chamber as a catalyst and partner for competitive improvement and future growth.

The Kansas Chamber and the Kansas Departments of Commerce, Education, and Labor should deliver the unified message that workforce quantity and quality is the most critical economic development and prosperity issue for Kansas.

The Kansas Chamber should lead an effort to increase interaction between chamber members and nearby colleges and universities to boost retention of college graduates by raising their awareness of career opportunities.

### **Expand Work Experience and Work-Based Learning for Students:**

1. Establish specific state-level goals for student work-based learning, similar to Rhode Island's PrepareRI.
2. Reform Kansas labor laws to enable youth under 18 to get more work experience.
3. Extend school district liability coverage to provide liability protection for businesses that host young employees, interns, or offer job shadowing.
4. Incent Kansas' public colleges and universities to expand student internships and job placement coordination with area firms. Establish goals for the percentage of college students placed in internships.
5. Create more summer externship programs for K-12 teachers, as a practical way for teachers to understand the value of student work experience and what career opportunities are available in their region.

### **Prioritize Talent Retention and Attraction:**

6. Appropriate or raise funds for a robust talent attraction strategy. This strategy should be crafted around reaching former residents (potential "boomerangs") in nearby Midwestern cities, especially young people around the age of family formation. Talent attraction messaging should stress quality of life and affordability, and Kansas as a place that values a talented workforce and welcomes and encourages diversity.
7. Tie university scholarship programs (such as the nursing and engineering initiatives) to post-graduation residency requirements.
8. Develop a best-practices tool kit and encourage local and regional chambers of commerce to develop programs that help more businesses – especially small and mid-size employers – connect with K-12 schools for career awareness events (in-school presentations, site visits, job fairs, mentoring and job shadowing).
9. Adopt the Kansas Promise scholarship program targeted at Kansas high school graduates studying in-demand fields in the state's community and technical colleges. Kansas Promise would require that recipients reside in the state for two years after completing a degree or certificate.
10. Increase career transition outreach efforts to military personnel in Kansas who are preparing to enter civilian life.

### **Significantly Increase Registered Apprenticeships:**

Establish a statewide goal to reach the national average for the number of active apprentices per 100,000 people in the working age population, doubling this number from 132 to 263 within five years.

11. Create a state apprenticeship tax credit for businesses, as is done in Alabama and South Carolina.
12. Place graduating high school participants in the Excel in CTE program into an appropriate apprenticeship with a Kansas business, similar to Kentucky's TRACK initiative.
13. Develop alternate sponsoring entities for Registered Apprenticeship programs – such as local workforce boards, community and technical colleges, and industry association groups.
14. Fund a Registered Apprenticeship program coordinator, through **KANSASWORKS**, in each region of the state, with the additional responsibility to lead the development of a robust youth pre-apprenticeship program in each region.

### **Increase the Work-Ready Skills for Kansas Adults:**

15. Create more short-term training offerings at Kansas' technical and community colleges for upskilling and retraining of adult workers.
16. Develop more partnerships between the Department of Corrections and technical and community colleges for skills and employability training of incarcerated adults and youth. Establish a goal of having all inmates earn an industry-recognized certificate by time of release.
17. Promote regional and county-level involvement in ACT's Work Ready Communities program. Currently just 10 counties are formally participating and only four are certified Work Ready Communities.

### **Make KANSASWORKS a Best-In-Class Statewide Program**

18. Continue the expansion of the Statewide Longitudinal Data System, incorporating workplace outcome data with education and training data, enabling the state to better adjust programming with desired workforce outcomes.
19. Establish and annually collect data on business satisfaction metrics to evaluate the system's responsiveness to business needs.
20. Fund a Director of Employer Engagement in each region of the state.



*This report was prepared in the summer of 2020 by the consulting firm, Economic Leadership. The principal researchers and authors were Greg Payne and Ted Abernathy.*



## **The Challenge to Compete – Update to 2020 Strategy Recent Trends and Possible Strategy Adjustments**

**(Added to the report summer 2021)**

The COVID-19 pandemic produced an unprecedented, sudden economic shutdown. More than 21 million jobs were lost in two months in the spring of 2020. The development and use of vaccines against COVID has spurred an economic reopening that is, if not quite as dramatic, still remarkable. This rapid business and economic reopening nationally created a chaotic employment market, with companies scrambling to find the workforce needed to meet greatly increased demand for goods and services.



The first half of 2021 experienced both record numbers of job openings and very high “quit rates” among workers, indicating a labor market in turmoil. Although this extreme situation may moderate in a few months, other long-term workplace concerns have been renewed. These concerns include an aging and retiring workforce, low labor force participation rates, not enough workers with the skills needed for in-demand jobs, and a lack of career awareness among young people. Small cities and rural areas continue to face population loss and difficulty with attracting and retaining talent, although greater worker mobility may be a promising trend. As an update to the Kansas Chamber’s

2020 workforce strategy, these strategy adjustments can help Kansas businesses to regain momentum more quickly and help Kansas to improve its workforce pipeline for long-term success. These recommendations include many state-level program examples from across the United States.

### **1. Focus on the ability for women to return to the labor force**

The labor force participation rate for women in America hit a 33-year low in January 2021. The nation saw a four percent drop in labor force participation among women with young children during the COVID-19 pandemic. Many observers pointed to childcare duties at home – because of schools and daycare facilities being closed – as a primary reason. Also, many women care for senior family members.

In order to meet companies' rapidly rising need for employees, it will be critical that women return to the active labor force in large numbers. How can states and businesses incentivize greater participation? The following ideas have been suggested by the Kauffman Foundation and others:

- Expanded public preschool programs, as well as financing and technical assistance to private childcare providers.
- Businesses offering more flexible work schedules.
- More states are requiring – and more companies are voluntarily providing – paid parental or family leave.
- Firms are offering better benefit packages, especially in sectors where many women work (such as hospitality), and for part-time workers.

## **2. Shift to greater emphasis on short-term training to reskill adult workers**

For workers that lost their jobs during the pandemic, a major focus for states is transitioning individuals from one industry to those with the greatest employment demand and higher wages. Examples of in-demand sectors include healthcare, manufacturing, and warehouse/logistics jobs.

Early in 2021, the Lumina Foundation found that at least 12 states were using CARES Act money for short-term reskilling grants. Here are several examples of states allocating meaningful sums of money to adult reskilling efforts.

- Mississippi put \$55 million into the creation of the ReSkill Mississippi program (ReSkillMS). Those whose jobs were impacted by COVID-19 are eligible to receive training at a state community college for a high-demand career. The program also rewards employers who are willing to immediately hire displaced workers and train them on the job. Under ReSkillMS, businesses can be reimbursed for 50 percent of wages for jobs paying up to \$15 per hour, and 75 percent of wages for jobs paying more than \$15 per hour. Wages can be reimbursed for the first 320 hours of on-the-job training.
- Texas allocated \$46.5 million for its Reskilling Support Fund Grant Program, providing “emergency educational support” that helps individuals to complete a college degree or workforce credential.
- Florida designated \$35 million for a new Rapid Credentialing Grant to assist students in programs they can complete within 18 weeks. The target audience is displaced workers who may have to find employment in an “entirely different business sector.”
- Virginia allocated \$30 million for the Re-Employing Virginians (REV) initiative. This provides scholarships for individuals to get training for work in one of five high-demand areas: healthcare, I.T., skilled trades, public safety, and early childhood education. Recipients get \$3,000 for enrolling in an applicable full-time program, and \$1,500 for a part-time or short-term, non-credit training program. The state community college system is the primary program administrator.
- North Carolina's GEER Scholarship program provided \$15 million for North Carolina residents pursuing short-term credentials. The grants pay \$750 per course for displaced workers earning a credential in one of 10 fields ranging from automotive and aircraft maintenance to police, fire, and rescue services.

- Louisiana’s ReBoot Your Career Program provided \$10 million to help up to 5,000 workers who lost jobs because of the pandemic. Online courses are available in healthcare, construction, manufacturing, information technology, transportation and logistics.

All of these initiatives were designed to be temporary. However, Florida has introduced legislation to create a permanent Open Door Workforce Grant Program. Open Door would focus on workforce credentials for higher-wage jobs that would lift more workers and families into the middle class.

### **3. Move to more virtual workforce training and career awareness offerings**

The pandemic-induced shutdown caused more workforce programming to move online. This trend began because of stay-at-home orders, but virtual programming can be valuable all the time – especially for rural areas.

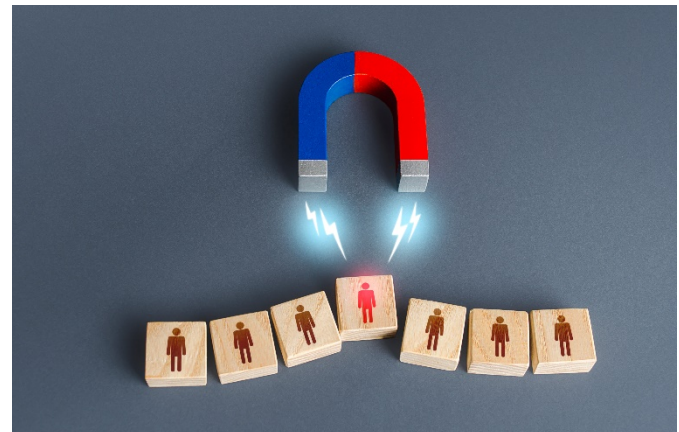
In the summer of 2020, Alabama introduced JumpStartAL, a new virtual reality (VR)-based workforce training initiative. To develop training modules, Alabama surveyed businesses in strong existing industry clusters to understand the skills that are most important to them. Program officials believe that the benefits of VR-based training will include the ability to scale up more quickly and at lower cost, while guiding residents to career paths they might not have considered otherwise.

WV Ready Interns is a recent initiative of West Virginia’s business-led Education Alliance and major in-state employers such as Toyota and Dow. Because of COVID, the program shifted in 2020 to an online mixture of internships, job shadowing, mentoring, and team projects for high school students. The virtual programming showed that this strategy can be particularly useful in rural areas, where businesses and mentors might be far away from students.

All courses in Louisiana’s ReBoot Your Career short-term reskilling program, mentioned above, are offered online.

### **4. Consider new talent attraction incentives to take advantage of greater worker mobility**

Even before COVID-19, more state-level economic development efforts were focusing on people and the talent pipeline. The pandemic caused more people to re-think living and working in dense urban centers. Some are now choosing suburban locations, smaller cities, and places with more affordable housing. Also, the potential for greater worker mobility because of work-from-home and other remote working options is likely to continue, at least to a moderate degree. States are creating new talent incentives to take advantage of these trends.



Vermont will reimburse up to \$7,500 in relocation expenses (including home purchase closing costs or first month’s rent) for those who move into the state to live and work there full-time. The state’s New Worker Relocation Grant Program was adopted by the state legislature in 2019. During the first three quarters of 2020, a total of \$227,000 was awarded to 51 recipients. The average age of awardees was 32, and recipients moved to Vermont from 21 different states. Eighty-seven percent were college graduates. Vermont also offered a Remote Worker Grant Program in 2019. This paid up to \$5,000 per year for two years to people moving into Vermont and working remotely for an out-of-state employer. The \$500,000 in funding for this incentive was quickly spent in 2019 – awarded to 140 recipients – and has not been renewed. Top occupations of awardees were management and information technology.

The new Ascend West Virginia program will pay individuals relocating to the state up to \$12,000 and highlights quality of life by offering free outdoor recreation and recreation equipment rentals. Ascend West Virginia also provides a co-working space and social activities for participants. Morgantown is the initial destination city for the first 50 people selected, and two small, historic towns will join the program later. Ascend West Virginia is largely funded by former Intuit CEO and West Virginia native Brad Smith.

### **5. With the surge in retirements during 2020, consider industry-recognized apprenticeships (instead of federal Registered Apprenticeships) as a quicker way to expand the pipeline of younger workers**

Federally sanctioned Registered Apprenticeships are considered to be high-quality and effective. However, they also are known to be bureaucratic and it can be difficult to develop new offerings quickly. A jump in the already-high level of retirements among skilled, experienced workers during the pandemic increased the need for businesses to rapidly improve their skilled worker pipeline. Some businesses and training partners are turning to industry-recognized apprenticeships, which can be developed more quickly.

Textron Aviation created its Aerospace Tooling Apprenticeship in the Wichita region in 2020 in partnership with WSU Tech and the International Association of Machinists and Aerospace Workers. Participants in the two-year apprenticeship earn a full-time salary and benefits. Textron also covers tuition and fees at WSU Tech. In June of 2021, the three partners announced a new Numeric Controls Technician Apprenticeship as well.

### **6. Increase state funding for workforce training for Returning Citizens**

The record number of job openings in recent months indicates that the chronically low unemployment that America experienced pre-COVID might return. As a result, more states are investing in employability programs for incarcerated men and women and supporting recent ex-offenders. In 2019, Tennessee's criminal justice reforms increased funding to provide high school equivalency and credential-based training for individuals within correctional facilities. Tennessee's governor noted that inmates who obtain a high school equivalency education have a 43 percent lower rate of re-entering prison. The \$10.5 million investment increased inmates' ability to get career and technical education credentials in high-demand fields such as building construction and information technology. Tennessee also initiated a bachelor's degree program at one prison.

### **7. Make it easier for companies to host young workers**

A frequent concern for businesses wanting to host young people in the workplace is liability exposure and/or the cost of workers compensation insurance. Work-based learning in Montana was made easier with the passage of a bill in 2019. This act provides for state reimbursement of workers compensation premiums for businesses that hire students enrolled in a work-based learning program. Similarly, Georgia has a state policy to give companies a worker's compensation premium reduction when students are doing work-based learning.

### **8. Encourage teaching that relates to career opportunities for young people and local business needs**

Missouri now allows teachers to count externships at area businesses toward their professional development hours. Other recent legislation a) required high schools and colleges to distribute in-demand career and salary information to students, and b) made it easier for experienced businesspeople to teach in the public schools. In 2018 the Missouri legislature approved Visiting Scholar guidelines so that business professionals can teach in high schools without going through the teacher certification process. After completing an application and background check, businesspeople can receive a one-year Visiting Scholar certificate, renewable twice.

### **9. Address the housing supply shortage**

Data from the National Association of REALTORS indicates that new housing has been under-built in America for years, ever since the financial crisis. This lack of supply was combined during the COVID-induced shutdown with greatly increased household savings, low mortgage rates, and a desire for many families to upgrade their housing. The result has been very tight housing markets in much of the country, with rapidly rising prices and exceptionally low inventory.

In markets experiencing strong demand, states and localities are revisiting regulations to make it easier to build more housing units and different types of housing. Historically, zoning and other land use regulations have favored large-lot, single-family housing and have been used to limit density, attached housing, and factory-built units. To provide new and more affordable options for young buyers and empty nesters, some places are relaxing zoning requirements to allow more density, allow duplexes and other attached housing, and let homeowners build accessory dwelling units (“granny flats” and similar small units) on the same lot as their existing home.

In areas where there has been little new residential construction of any kind, some localities offer incentives to residential developers. Danville, Virginia will reimburse certain costs for extending infrastructure such as streets, sidewalks, water, and sewer systems.

## **10. Dedicate some portion of Kansas’s American Rescue Plan funds to implement this report’s recommendations**

As a part of the American Rescue Plan (ARP) the Economic Development Administration has several new grant programs totaling an unprecedented \$3 billion in supplemental funding. There are six major programs:

- **Build Back Better Challenge** - \$1 billion to support the building of regional clusters
- **Good Jobs Challenge** - \$500 million to build and strengthen industry-led workforce training systems and partnerships
- **Economic Adjustment Assistance** - \$500 million for infrastructure, technical assistance, and access to capital
- **Indigenous Communities Challenge** - \$100 million to improve the economies in indigenous communities
- **Travel, Tourism and Outdoor Recreation** - \$750 million in highly flexible funding to support local efforts
- **Statewide Planning, Research and Networks** - \$90 million for planning grants and research and network grants

The grants are designed to accelerate the post-pandemic economic recovery and to build resiliency to future economic shocks. Many of the original 20 recommendations of The Challenge to Compete - Kansas Workforce 2020 seem to fit the eligibility for funding and should be aggressively pursued.





## Appendices

### 1) Notable Workforce System Partners in Kansas

#### Kansas Governor's Office:

Governor Kelly and Commerce Secretary Toland announced in the fall of 2019 the creation of a comprehensive economic development strategy for the state, a strategy that they say has been missing from state policy since 1986. Their announcement of the Framework For Growth strategic plan targeted key workforce issues such as population growth and labor force participation. Recommendations will focus on four areas of economic development, including a workforce development strategy.<sup>xxxiii</sup> Secretary Toland mentioned specific challenges such as talent retention, noting that Kansas ranks 11<sup>th</sup> in the percentage of its students who attend an in-state school, but 44<sup>th</sup> in keeping those young people in the state after graduation. “We’re exporting our most valuable commodity,” Toland said in February of 2020.<sup>xxxiv</sup>

In late 2019, the Governor’s Council on Education made a number of policy recommendations dealing with education and the workforce:

- A. Greater collaboration between businesses, workforce training programs, and educators to align education and training services with industry needs in the state’s top eight sectors;
- B. Improved access to work-based learning experiences for all students;
- C. Better identification of “market value assets” – the skills and credentials valued by Kansas businesses – and better measuring of student outcomes in obtaining these;
- D. Improved and universal early childhood education;
- E. Increased public-private partnerships (including philanthropy) to increase funding for these needs.<sup>xxxv</sup>

### Kansas Board of Regents:

The Board of Regents is the nine-member body charged with directing higher education in Kansas. A separate Technical Education Authority (TEA) operates under the auspices of the Board of Regents. The Regents and TEA manage a number of important workforce-related programs, including:

- Excel in CTE, providing tuition for high school students to take technical classes at the state’s technical and community colleges;
- AO-K (Accelerating Opportunity: Kansas), which combines adult basic education with technical education in a career pathways framework, to increase the percentage of adults obtaining a postsecondary credential;
- The Kansas Nursing Initiative;
- The University Engineering Initiative.

### Aligned:

Aligned is a business-led coalition based on the belief that that “Kansas and Missouri have systemic workforce/education problems” requiring an ambitious reform agenda.<sup>xxxvi</sup> Formed in 2011 to break down barriers between educators and businesspeople, Aligned believes that student achievement will result in economic development. Aligned is focused on education policy changes (at all levels) that promote workforce readiness.



### FlagshipKansas.Tech:

In 2018 the Workforce Alliance of South Central Kansas convened businesses to discuss the need for talent development in the state’s technology sector. By early 2019 a new non-profit, FlagshipKansas.Tech, was born. The organization aims to serve over 1,190 tech sector companies in the state that have 37,000 employees and \$7 billion in annual revenues.<sup>xxxvii</sup>

One of FlagshipKansas.Tech’s first initiatives is a summer internship program bringing college students to Wichita. The program, Check Out Wichita, offers paid internships, downtown housing, and stipends. FlagshipKansas.Tech is also a supporter of The Last Mile computer coding program for inmates that started at San Quentin in California and came to Kansas in 2019. A spokesperson for the Kansas Department of Corrections (KDOC) says that The Last Mile has enabled KDOC to “collaborate with numerous tech companies to build pathways into employment for graduates of the program.” The first cohort of 12 women at Topeka Correctional Facility graduated in February, with another 15 participating this year.<sup>xxxviii</sup>

### Greater Kansas City Chamber of Commerce:

Noting a “desperate need for qualified workers,” the KC Chamber makes workforce development and education major parts of its public policy platform. Among the Chamber’s policy positions:

- Support for state funding that improves workplace readiness and adult education, including re-entry training programs for offenders and incentives for businesses to hire those with a criminal record;
- Expansion of registered apprenticeship programs;
- Greater collaboration and transparency between the state Departments of Commerce, Education, and Labor;
- Better development of career pathways, internships, and apprenticeships aligned to local workplace needs for K-12 students;
- Dedicated funding for career and technical center cooperatives and innovation centers;

- Wider use of empirically-based student outcome measures.<sup>xxxix</sup>

#### GradForceKC:

The Regional Workforce Intelligence Network (RWIN) of Greater Kansas City was convened by the Mid-American Regional Council, covering nine counties in two states.

RWIN initiatives include GradForceKC, which aims to improve postsecondary attainment particularly among first-

generation college students and adults returning to college. GradForceKC operates Talent-to-Industry Exchanges which are business-led groups working to improve the labor supply in key sectors, and GatewaysKC which helps create a welcoming atmosphere for immigrants coming into the workforce.<sup>xi</sup>



#### Kansas Manufacturing Solutions:

One of the earlier members of the national Manufacturing Extension Partnership program, the non-profit Kansas Manufacturing Solutions (KMS) provides consulting services for small and medium-sized manufacturers across the state. KMS helps companies retain employees with compensation package and career advancement design; identifying key personnel and developing new leaders; and other strategies for reduced turnover and higher productivity.

#### Kansas Hospital Association:

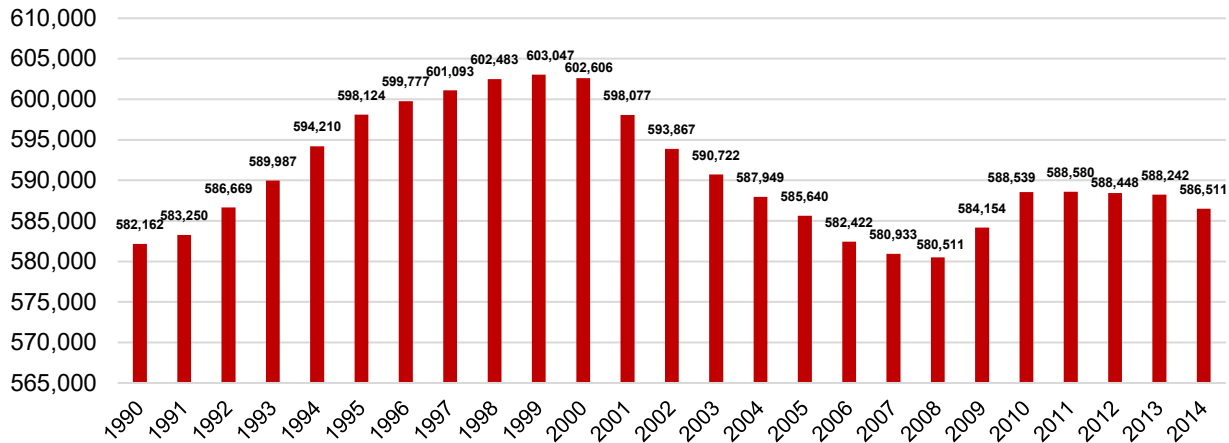
Through reports such as "Health Care Vacancies and Turnover in Kansas," the Kansas Hospital Association does a good job of tracking high-demand and high-turnover healthcare occupations, regionally and statewide. This report highlights demographic trends affecting both healthcare workers and patients in Kansas: slow population growth, growth concentrated in urban areas, and an aging population (the state's population is expected to grow 25 percent from 2016 to 2066, but the population aged 65 and older is projected to grow by 69 percent.) There are more than 60,000 healthcare workers across the state.<sup>xli</sup>

## **2) Regional Challenges and Strategies Across Kansas**

#### Local Area I, Western Kansas:

Western Kansas is a sparsely-populated region, with the economy in recent decades driven by agriculture and oil and gas extraction. The main challenge here is lack of population growth and very little growth in labor supply. The region's 2016 – 2020 Strategic Plan notes that western Kansas experienced population growth of "very close to zero" between 1990 and 2014, averaging 0.03 percent per year. The region's population peaked in 1999. Similarly, job growth has averaged only 0.1 percent annually since 1999. During the last 10 years of the plan's study period, the total labor supply was flat, growing by just 0.04 percent per year.<sup>xlii</sup>

## Population Local Area I 1990 - 2014



Source: Kansas Department of Labor, Labor Market Information Services

A stakeholder with experience in this region indicated that rural workforce centers here have difficulty keeping high-quality staff members. Young employees often want to move to a metropolitan area. Another noted that the large area covered by the few centers in western Kansas is daunting; they said that the center they interact with does a good job, but is located three and a half hours away.

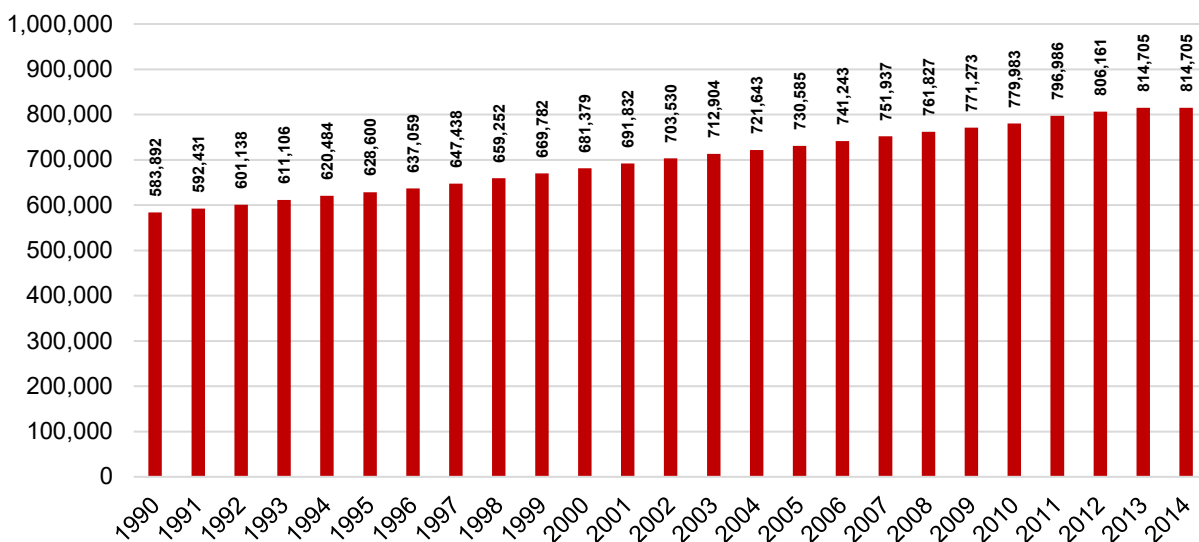
### Local Area II, Northeastern Kansas:

Workforce area II includes Topeka, Lawrence, and Manhattan. Although this area has grown faster than western Kansas, the region's 2016 plan notes the overall slow-growth trends. Population growth averaged 0.6 percent per year from 1990 to 2014. In the last 10 years of the study period, the labor force gained only 0.1 percent annually. Employment growth was projected to be 1.0 percent annually over the next several years.<sup>xiii</sup>

### Local Area III, Kansas City Area:

Demographic and employment trends for the three largest counties in the Kansas City area are starkly different from the rest of the state. According to Local Area III's 2016 plan, the region grew steadily over the entire period from 1990 – 2014, with a 39.5 percent total population gain. The three counties added 230,800 people during that time. The area's labor force increased by 36.9 percent over the same period.<sup>xiv</sup>

## Population Local Area III 1990 - 2014



This region is a primary driver of employment in Kansas. The Kansas City region accounts for 29 percent of the state's population, but was projected to account for over 45 percent of statewide job growth in the two years after the region's WIOA plan was adopted.<sup>xlv</sup> Health Care and Professional, Scientific & Technical Services have been the leading sectors for job growth.

The education attainment of the population is a significant advantage for Local Area III. Forty-three percent of area residents have a bachelor's degree or higher, compared with 30.7 percent of all Kansans, according to the WIOA plan.<sup>xlvi</sup>

Industry sector strategies are a major focus for the Kansas City region's Workforce Partnership. The following key sectors have been identified:

- Health Care
- Manufacturing
- Transportation & Distribution
- Construction
- Professional Services
- Information Technology<sup>xlvii</sup>

The Local Area III Workforce Partnership uses Industry Skill Panels to address skill gaps for in-demand occupations in these sectors. The board has a Director of Employer Engagement to keep communication with companies of all sizes a priority.

#### Local Area IV, South Central Kansas:

The south central Kansas region has grown, though unevenly. Sixty percent of the region's population lives in Wichita. The population grew by an annual average of 0.8 percent from 1990 to 2014. With the Wichita MSA ranked number one in America in the percentage of manufacturing jobs, employment has followed cyclical changes in the economy. After robust job growth from 1990 to 2008, the region lost 17,000 jobs from 2009 to

#### **Multi-Region Collaboration:**

Local Areas II and III in northeast Kansas approved a multi-region plan in 2017 to collaborate on workforce needs for two of the area's most important industry sectors, Health Care and Life Sciences.

Life Sciences (including human health firms, animal health firms, and plant & crop science) has a \$9.2 billion annual impact in the Kansas City MSA alone. An animal health corridor from Manhattan, KS to Columbia, MO contains the largest concentration of such firms in the world. A new National Bio and Agro-Defense Facility is being built in Manhattan. The Healthcare sector includes many of the region's top employers.

Strategies include:

- A. Engage in the regional life sciences Talent-to-Industry Exchange started by KC Rising.
- B. Connect with the planning and execution of animal health corridor workforce initiatives.
- C. Develop a workforce strategy around the opening of the National Bio and Agro-Defense Facility.
- D. Increase participation in the Kansas Hospital Association's workforce activities.
- E. Administrative actions to include: 1) establishing a Regional Coordination Team; 2) data sharing between areas II and III; and 3) business service team collaboration to better serve shared employers.



2013. Many of those losses occurred in one year, in the Advanced Manufacturing and Aviation sectors, and were concentrated among young male workers. Other issues and strategies in south central Kansas:

- Employers report that the increasing use of technology is creating skills gaps in emerging occupations. They also report a lack of work readiness or soft skills. Skills gaps have been identified in the construction, healthcare, I.T., and manufacturing industries.
- Strengths of the workforce system include strong partnerships with employers and community organizations. The greatest weaknesses are lack of youth employment and work experience. An aging workforce is another challenge.
- In local K-12 education, the curriculum does not value technical skills and parents do not value a technical education.
- Local Area IV has developed sector strategies in Aviation, I.T., and Healthcare, focused on technical education and career pathways. Sector strategies and career pathways were strengthened by a 2015 analysis by Wichita State University, resulting in a Blueprint for Regional Economic Growth.
- To promote careers pathways, Local Area IV is convening a Regional Manufacturing Council on Technical Education. This council seeks to expand awareness of high-skill manufacturing jobs and careers. It also is working to expand internships and other work experience for young adults. Another priority is to address work readiness skills.

Many interviewees praised the quality and responsiveness of **KANSASWORKS** staff in the Wichita office. A few believe that the workforce center works well with the largest employers but is not well connected with other businesses. One suggested that the workforce center should be co-located with other education and training providers, like WSU Tech.

#### Local Area V, Southeast Kansas:

Southeastern Kansas has seen the most dramatic demographic change in recent years. The region's population declined by nearly 8,900 between 2008 and 2014. Perhaps due to an aging population, labor force losses have been even greater. After peaking in 2009, the region lost more than 13,000 labor force participants by 2014. Job losses were significant (about 9,000 from 2007 and 2014) but not as severe as the reduction in labor force, making for a more constricted labor market.<sup>xlviii</sup>

Issues identified in southeastern Kansas' latest WIOA plan:

- Lack of transportation options and lack of childcare availability for clients across the rural, 17-county region;
- Inadequate funding for the adult basic education program and dislocated worker program;
- A pre-apprenticeship program for young adults has "not evolved;"
- Lack of vocational training options for youth that may not be college-bound;
- The region's vocational rehabilitation program needs to have a "stronger and more direct connection" with employers;
- The adult basic education program's calendar and process limit entry points into the program, instead of being flexible to meet clients during times of need such as unemployment, relocation, and opportunities for promotion.<sup>xlix</sup>

### **3) Additional Workforce Best Practices for Kansas**

## BEST PRACTICE: Skills Development

- Pennsylvania: The state launched **Manufacturing PA** in 2017 to support workforce development in manufacturing, the state’s third-largest industry sector. Program components include **Training-to-Career Grants** made to community colleges, technical and trade schools that collaborate with two or more regional manufacturers. The goal of the grant program is to increase the “essential skill” attainment of entry-level applicants. In addition to training, eligible expenses include equipment purchases and internship placements.<sup>i</sup>
- Virginia: The state put \$12.5 million into the first two years of the **New Economy Workforce Credential Grant Program**, begun in 2016. The New Economy grants fund training that leads to a credential in an occupation on the “Virginia Demand Occupation” list. The average age of participants is 36, and most have had no previous college experience. In 2018 the Virginia General Assembly put \$19 million into the program for the next two years.<sup>ii</sup>
- Tennessee: The **Tennessee Reconnect** education grants grew out of the state’s Drive to 55 goal of having 55 percent of residents with a post-secondary degree or credential by 2025. Tennessee Reconnect makes community college effectively free for adult learners, allowing them to gain new skills and advance in their careers. In the program’s first year (2018-19), 18,200 individuals received grants. Seventy-one percent of recipients were female, 58 percent had dependents, and the average age was 33. Unlike Virginia’s program, most Tennessee Reconnect grant recipients had previous college experience.<sup>iii</sup>
- Kansas: The state’s **Excel in CTE** program (Senate Bill 155) started in 2012, providing tuition for high school students to take technical courses at the state’s technical and community colleges. In 2013 it was named a “Top Ten Innovations to Watch” by the Brookings Institution.<sup>iiii</sup> Between 2013 and 2019 student participation increased by 124 percent, college credits by 138 percent, and credentials earned by 154 percent. State funding for Excel in CTE in 2019 was \$31.5 million.<sup>liv</sup>



Kansas Chamber stakeholders praised Excel in CTE’s progress, but noted that it could be improved by better connecting participants with summer work experience and apprenticeship tracks.

## BEST PRACTICE: Alignment of Economic Development and Workforce Development

- Nationally: In a survey highlighted in a 2019 report by the Federal Reserve System, 97 percent of stakeholders in the Federal Reserve’s Cleveland region said that close alignment of the workforce development and economic development systems is crucial to their region’s future. However, 55 percent of respondents said that in reality the two are only “somewhat aligned,” with 24 percent saying “not aligned” and just 21 percent “very aligned.” Participants said that the private sector is hesitant to engage with the public workforce system because they view it as “a social service rather than a business resource.” And in general, those active in either economic or workforce development “see combining efforts as an encroachment upon their territory.”<sup>iv</sup>



The Federal Reserve System’s report noted that there are some common ways in which areas are increasing alignment of the two systems. Practices cited most often:

- Sector-based training partnerships – 73%
- Public-private partnerships – 58%
- Sharing resources such as data, physical space, and staff – 50%
- Financial collaborations – 38%.

Just 23 percent of those surveyed had actually realigned organizations or institutions.<sup>lvi</sup>

Among the main challenges preventing better alignment are: 1) the lack of a lead organization; 2) gaps in communication, data, and information; 3) differences in goals and/or funding sources; and 4) lack of support services. Having a lead entity responsible for alignment can help solve other challenges, by creating more consistent communication and use of shared data, by having broad agreement on goals and objectives, and by tapping into public and private sector funds. **The Allegheny Conference on Community Development** is a successful lead organization for workforce and economic development in the Pittsburgh area, operating as a non-profit community leadership group since 1944.<sup>lvii</sup>

- Kansas: Workforce partners and businesses across the state are making strides toward better communication and integration through an annual **Workforce Innovation Conference**, the third of which was to have been held in Wichita this fall. Primary partners have included the Board of Regents, the Department of Commerce, the Department for Children & Families and the Kansas Chamber. In 2021 it will be important to regain momentum for this event and continue to increase interaction between employers, economic development professionals, and workforce service providers.

#### **BEST PRACTICE: Sector-Based Strategies**

- Georgia: When the state Department of Economic Development met with businesses and economic developers about 10 years ago, they heard that the number one factor in most expansion and new location decisions was the availability of a skilled and educated workforce. In 2014, then-governor Nathan Deal established the **High Demand Career Initiative (HDCI)**. HDCI convened the Department of Economic Development, the state’s university system, its technical college system, and more than 120 employers from around the state. They gathered data on high-demand career sectors and the work skills and attributes needed in those sectors.



Georgia used \$3 million from WIOA Governor’s Reserve Funds to offer capacity-building **HDCI Sector Partnership Grants** of up to \$250,000 for each of 12 regions across the state. To apply, regions had to build a coalition with at least five employers in a key sector, postsecondary schools in the region, the K-12 school system, state workforce-related agencies, the chamber of commerce, and preferably non-profit organizations and other support service providers. Regions also needed to meet a 10 percent match requirement.<sup>lviii</sup>

HDCI identified the following key industry sectors for Georgia:

- |  |                              |
|--|------------------------------|
| ▪ Agriculture & Food                   | ▪ Aerospace                  |
| ▪ Automotive Manufacturing             | ▪ Defense                    |
| ▪ Film, TV & Interactive Entertainment | ▪ Healthcare & Life Sciences |
| ▪ Information Technology               | ▪ Logistics & Transportation |
| ▪ Manufacturing                        |                              |

HDCI appears to be de-emphasized under Georgia’s current governor, but the initiative still stands as a leading example of a state using WIOA funds to create strong regional collaboration around the workforce needs of the region’s most important industry sectors.

Within Georgia, a great example of a regional sector strategy is **Floor360** to support the carpet industry in northwest Georgia. This largely rural part of Georgia accounts for about 70 percent of the world’s carpet production. Updated manufacturing processes had created the need for advanced skills in the workforce. In 2014 the region obtained a U.S. Economic Development Administration grant to implement the Northwest Georgia Regional Advanced Manufacturing Strategy. Among Floor360’s concrete successes is an expanded campus for Georgia Northwestern Technical College with a new flooring training center. State government contributed over \$20 million for the project, and the industry donated most of the equipment. An inland port with rail access to the Port of Savannah has also been established in the region.<sup>lix</sup>

- Kansas: The creation of a **multi-region workforce plan for two key industry sectors in northeast Kansas** is a noteworthy example of going beyond regional and even state boundaries to increase collaboration. **KANSASWORKS** Local Areas II and III agreed in 2017 on a plan to support the important Life Sciences (especially animal health) and Health Care sectors. It identified an animal health corridor that stretches from Manhattan, KS to Columbia, MO. Among the plan’s aims are to create a workforce strategy around the opening of the National Bio and Agro-Defense Facility in Manhattan, and to forge closer ties with the Kansas Hospital Association.
- Kansas: **FlagshipKansas.Tech** was founded in 2019 to support the workforce needs of the state’s technology sector, which employs about 37,000 people. A convening of tech firms by the Workforce Alliance of South Central Kansas led to the creation of FlagshipKansas.Tech. Among the non-profit group’s first initiatives is the Check Out Wichita talent attraction program. Check Out Wichita brings college students to the city for paid summer internships including downtown housing and expense stipends.



### **BEST PRACTICE: Increased Workforce Participation by Ex-Offenders**

A history of incarceration reduces an individual’s annual earnings by 40 percent. Only six percent of the prison population in America has any post-secondary degree, compared with about 37 percent of the general population.<sup>lx</sup> Increasingly, states, community colleges, and businesses are developing training, work experience, and support service programs to boost the prospects of workplace success by ex-offenders.

- Indiana: **The Hoosier Initiative for Re-Entry (HIRE)** started in 2012 and is run by the state’s Department of Corrections and the Department of Workforce Development. The HIRE model prepares inmates with a felony conviction in three areas:
  1. Hiring process skills, workplace readiness training, and financial literacy.
  2. Outreach to area businesses for job placement.
  3. Coordination with support organizations that can assist with clothing, housing, and transportation.



A mentor works with each HIRE participant for one year after an initial job placement. In a recent year, the HIRE program placed over 2,200 ex-offenders in jobs, with a three-month retention rate of 97 percent. Participants also have lower recidivism rates.<sup>lxi</sup> In 2018 the Indiana HIRE program won a national award from the National Association of State Workforce

Agencies.<sup>lxii</sup>

- Washington: The **Trades Related Apprenticeship Coaching (TRAC)** program in the State of Washington helps prepare women for skilled trades work as a carpenter, iron worker, mason, or laborer. Participants must have a high school diploma or GED. Graduates of the 16-week, 460-hour program get preference for placement in union trade apprenticeships. TRAC also partners with non-profits to help women get the work tools and clothing they need. The program is small – with about 300 graduates since 1997 – but has been expanded to a second women’s prison in Washington. According to the state corrections department, graduates re-offend at a rate one-tenth that of other female offenders.<sup>lxiii</sup>
- Washington, DC: **Project Empowerment**, operated by the City of Washington, D.C., has an 18-year track record of helping people with multiple barriers to employment, including homelessness, substance abuse, and a criminal record. Project Empowerment begins with a three-week course on life skills and employability skills. It then works with companies, governments, and non-profits in D.C., Virginia, and Maryland to place participants in up to six months of subsidized work experience. Participants are provided with comprehensive support services during this time. About 700 individuals participate annually. Project Empowerment won a 2017 award from the National Association of State Workforce Agencies.

## **BEST PRACTICE: State Workforce System Redesign and Integration**

### **Missouri:**

In 2018, Missouri’s Department of Economic Development and Department of Higher Education partnered with the Jefferson City-based Hawthorn Foundation, launching the state’s **Talent for Tomorrow** initiative to make workforce preparation more responsive to employers’ needs. The state directors of economic development and workforce development and the state commissioner for higher education traveled nearly 2,000 miles to discuss a more coordinated workforce approach with over 1,640 stakeholders. Talent for Tomorrow requires more collaboration between Economic Development and Higher Education (a department that now includes Workforce Development) to provide clearer “options for Missourians that range from apprenticeships all the way up to Ph.D. programs.”<sup>lxiv</sup> The initiative also calls for better alignment of funding, service delivery, and performance evaluation, and use of resources that is more individualized to the needs of each region in the state.

A primary focus of Talent for Tomorrow is apprenticeships. Governor Parson used \$3.8 million in WIOA discretionary funds to increase non-traditional apprenticeship programs, such as those to develop digital skills and more apprenticeships for incarcerated and other dislocated adults. The state hosted a delegation from the United Kingdom to learn apprenticeship best practices, and the governor created an Office of Apprenticeship and Work Based Learning.

### **Arkansas:**

Governor Asa Hutchinson led a state government **Transformation** initiative to reduce the number of cabinet-level agencies from 42 to 15. As of July 2019, a new Department of Commerce was created, included a Division of Workforce Services. The Division of Workforce Services operates six core WIOA programs including adult education and rehabilitation services.

Another evolution in Arkansas is increased regional integration of economic development and workforce development. The state’s Workforce Investment Initiative provides funds for regional workforce development planning. To qualify, regions must develop broad partnerships and demonstrate that their plans are based on the area’s economic development strategy.



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