

KANSAS LOCAL AREAS II and III

The purpose of combined regional planning is to provide strategic and operational oversight between Local Area II and Local Area III (LAI and LAIII) in developing a comprehensive, industry-driven workforce development system in the larger planning region. This plan focuses on the Health Care and Life Science (specifically Animal Health) sectors, as they are economic development needs common to both local areas, with employment opportunities leading to financial self-sufficiency.

I. Definition and Characteristics of Kansas Planning Region

Geography

For regional planning purposes under the Workforce Innovation and Opportunity Act, Kansas Planning Region III is comprised of LAII, which includes the counties of Atchison, Brown, Clay, Doniphan, Douglas, Franklin, Geary, Jackson, Jefferson, Marshall, Nemaha, Osage, Pottawatomie, Riley, Shawnee, Wabaunsee and Washington and LAIII, which includes the counties of Johnson, Leavenworth and Wyandotte.

LAI is a 17 county region which contains a mix of urban and rural landscapes. In 2014, the three counties with the largest population (Douglas, Riley and Shawnee,) made up 63.9 percent of the total LAII population. LAII is serviced by Heartland Works, Inc., who currently operates as board staff, one-stop operator, fiscal agent and WIOA Title I program operator in the area. Coordination of one-stop services in LAII will transition to a competitively procured entity effective July 1, 2017.

LAIII is serviced by Local Workforce Investment Area III, Inc., otherwise known as Workforce Partnership. Five of the ten largest cities in Kansas are located in LAIII: Overland Park, Kansas City, Olathe, Shawnee, and Lenexa. While LAIII is technically comprised of only Johnson, Leavenworth, and Wyandotte counties in Kansas, its labor shed truly consists of the 15 counties that make up the greater Kansas City Metropolitan Statistical Area (KC-MSA). Labor market information at the federal level often reflects data for the entire KC-MSA and Workforce Partnership uses much of this data for its labor market and economic analysis. Workforce Partnership contracts with Dynamic Workforce Solutions, which serves as one-stop operator and WIOA Title I program operator in the local area. Workforce Partnership operates through its board staff and contracts with Allen, Gibbs & Houlik, L.C. as its fiscal agent.

Commuting Patterns

In 2014, 231,298 residents of LAII were employed, of those 178,763 worked and lived in LAII. 52,817 residents of LAII commuted to jobs outside of the area; 52,535 people living outside of LAII commuted into LAII for employment. Of the people who are employed in LAII, 49.8% live in Shawnee, (27.9%) in Douglas (14.1%), or Riley (7.7%) county. Approximately 55.7% of workers who reside in LAII also work in either: Shawnee (32.5%), Douglas (14.6%), Riley (8.6%) county. Only 19,320 of those residing in Local Area II commute to Johnson, 3,870 Wyandotte, and 2,122 to Leavenworth County for work.

In 2014, 411,796 residents of LAIII were employed. Of those residents, 256,672 people worked and lived in LAIII. 107,570 residents of LAIII commuted to jobs outside of LAIII; 155,124 people living outside of LAIII commuting into LAIII to work. 71.7% of the people employed in LAIII live in either: Johnson (46.8%), Jackson (MO) (14.0%), or Wyandotte (10.9%) county. 82.3% of workers who reside in LAIII also work in either: Johnson (54%), Jackson (MO) (15.2%), or Wyandotte (13.1%) county. Only 5,637 commute to Shawnee, 6,226 Douglas, and 1,001 to Franklin Counties in LAII for employment.

Workforce System Partners

The workforce centers in LAII and LAIII form the hub of workforce development activity. There are a total of 7 workforce centers across the Planning Region. At each workforce center location, WIOA Title I activities are provided through the Adult, Dislocated Worker and Youth programs.

WIOA Title II services are currently provided by a wide ranging group of partners. For LAII, those partners are:

- Community colleges – Barton County Community College (Ft. Riley); Cloud County Community College (Clay Center and Junction City); Highland Community College (Atchison, Hiawatha, Holton, Kickapoo Nation, Wamego, Baileyville and Marysville); and Neosho County Community College (Ottawa and Lawrence)
- Four year college/technical school – Washburn Institute of Technology/Washburn University (Topeka)
- School districts – USD #383 (Manhattan); and USD #497 (Lawrence)
- Community based organization – Let's Help (Topeka)

For LAIII, both Johnson County Community College (JCCC) and Kansas City Kansas Community College (KCKCC) provide basic skills education activities. JCCC offers Adult Basic Education services at four locations in Johnson County, while KCKCC offers Adult Basic Education services at two locations in Wyandotte County and one location in Leavenworth County. Participants work with instructors to identify academic and life

goals and to set educational plans, and prepared to go on for further education or to enter the workforce.

WIOA Title III activities are provided at each workforce center through the Wagner Peyser, Trade Adjustment Assistance, Veterans, and Re-Employment Assistance programs. Each of these programs works in concert to provide career (basic and individualized) and training services to eligible participants.

WIOA Title IV, vocational rehabilitation services, are provided at multiple Department for Children and Families (DCF) offices throughout the Planning Region. These DCF offices not only provide employment services to individuals with disabilities, they also serve Temporary Assistance for Needy Families (TANF) recipients through the Economic and Employment Services program. The goal of both programs is to help participants address employment barriers and obtain self-sufficiency.

A network of training providers maintained on the local Eligible Training Provider list provides education and training activities under WIOA Title I. Currently there are 54 approved Eligible Training Providers with 429 approved individual programs across the Planning Region. The organizations providing educational services include colleges, universities, community-based organizations, private career schools, and public technical schools.

There are other WIOA mandatory partners, local plan partners, and optional workforce system partners a list of which is contained in the Local Area plan.

II. Regional Economy, Targeted Sectors and Education/Training

Currently, LAII and LAIII economies are strong and have demonstrated growth in target industries such as Health Care, Transportation, Information Technology, and Manufacturing. Over the past year, the unemployment rate for the combined Planning Region has steadily decreased from 4.0% in February 2016 to 3.85% in February of 2017, far below the US Unemployment Rate of 4.9% (Bureau of Labor Statistics). This places the Planning Region in the top 15% nationally for unemployment when compared to peer metro areas (55 of 388). The Job Vacancy Survey reports 8,200 job vacancies in the second quarter of 2015 and 8,200 in the second quarter of 2016 for LAII. LAIII reported 16,724 job vacancies in the 2nd quarter of 2015 and 9,621 in the second quarter of 2016. According to the U.S. Bureau of Labor Statistics, 24% of new job growth last year in the KC Metro Area can be attributed to Johnson County, and in past years it has averaged 8,000 new jobs annually. 75% of all job growth in Kansas from April 2014 to April 2015 was in Johnson, Leavenworth, Linn, Miami and Wyandotte counties.

Selection of Target Sectors for Regional Workforce Development

When determining the best avenues for collaboration across LAII and LAIII, we analyzed employment sectors within each Local Area with high current and future demand, but also focused on those which offered clear career ladders, with a wide variety of entry-level positions and opportunities for advancement as an employee continues his or her education and gains work experience. Once those sectors were identified, we determined which of the sectors LAII and LAIII had in common and also confirmed these sector needs cut across all counties in the Planning Region. As a result, the Planning Region determined we would focus on two primary sectors: Life Sciences (including the sub-sector of Animal Health) and Healthcare.

Target Sector Data

Life Sciences

The Life Sciences economic sector includes companies engaged in:

- research and development, such as testing and medical labs, biotechnology, physical sciences and engineering sciences
- manufacturing, such as agricultural chemicals, animal food, medical apparatus, pharmaceuticals, machinery and equipment and supplies
- bioinformatics, such as computer programming and systems design, and computer facilities management

Within the KC-MSA, which includes Local Area III, the Life Sciences Sector has an annual economic impact of \$9.2 billion, representing 23 industries and over 38,000 jobs. Based on the Kansas City Area Life Sciences Institute's (KCALSI) 2015 census ("the Census"), industry data demonstrates this sector is of a strong technical nature within Local Area III, where 37 percent of employees work in the software industry. KCALSI's 2006 Census reported 199 life sciences companies employing 17,500 to 20,000 people. The 2015 Census reports 249 companies employing 28,000 to 30,000 people; compared to the prior Census in 2012, employment has grown by 20%. The total of new companies since the 2012 Census has increased by 65. Human health-focused companies account for 66% of the companies in the KC regional area, animal-health 26%, and plant and crop science-focused companies comprise 8% of the total life sciences portfolio. Kansas is home to approximately 62% of the area's life science companies and 42% of the employment.

In LAII, the Life Sciences industry has shown steady growth over the last several years. In 2004 the number of Life Sciences business establishments in the area was 214, while in 2015 the number had grown to 473. Similarly, in 2004, there were 3524 individuals employed in life sciences work, with the number growing to 5257 in 2015.

The main employment areas within the life sciences industry during this timeframe were Food Product Machinery Manufacturing, Custom Computer Programming Services, Computer Systems Design Services and Computer Facilities Management Services. Within the Manhattan community, additional main employment areas included Research and Development in Biotechnology and Medical Laboratories.

Top Life Sciences employers in the Planning Region include:

- Bayer Animal Health
- Big Heart Pet Brands
- Bioscience & Technology Business Center
- Cargill
- Cerner Corporation
- Ceva Animal Health
- Hill's Pet Nutrition
- MS Biotec LLC
- PRA Health Sciences
- Propharma Group
- Quest Diagnostics
- Quintiles
- TEVA Pharmaceuticals
- Thermo Fisher Scientific
- Ventria Bioscience
- Veterinary Health Center at Kansas State University

In addition, many Kansas City, Missouri employers, such as Boehringer Ingelheim Vetmedica and MRI Global, hire individuals who reside in Local Area III.

In the KC-MSA alone, Life Sciences industries grew by nearly 15,000 jobs from 2001 – 2016, about ten times faster than the metropolitan average. While these industries were not immune to the Great Recession, they rebounded much more quickly and by 2011 had achieved their pre-recession employment peak (three years sooner than the Kansas City area economy as a whole). In fact, about 42 percent of the growth in Life Science industries has occurred since the recession, and since 2010 the growth in these industries in the Kansas City area has been twice as fast as the pace in the U.S. overall. In the main LAll life science areas discussed above, each are projected to grow over the next ten years, with higher levels of growth expected in the Manhattan community/surrounding areas.

Across all Life Sciences industries in the Kansas City metropolitan region, the ten-year employment demand (which includes both growth demand as well as replacement

demand) is 32,587 jobs, with the highest growth in jobs related to information technology. Many of the fastest growth in Life Sciences manufacturing will occur in entry-level positions requiring only a high school diploma or some college.

In LAll the 10-year employment demand (including both growth demand and replacement demand) is 1671 jobs. Highest growth in jobs occurs in the Customer Computer Programming Services, Computer System Design Services, Computer Facilities Management Services and Medical Laboratories.

In addition to high growth in jobs, the Life Sciences industries also command far higher than average wages when compared to the United States as a whole. The average annual wages in the Kansas City metropolitan area for jobs in the Life Sciences sector is \$85,129 compared to \$51,100 for all jobs in the MSA. The average annual wages in LAll for life sciences ranges from \$38,601 to \$92,425 with the higher wages focused in the Biotechnology Research and Development area.

Animal Health

Within the larger Life Sciences sector, Animal Health is an over \$24 billion global industry. And the Animal Health Corridor, anchored by Manhattan, Kansas, and Columbia, Missouri, is home to more than 300 animal health companies, representing the largest concentration in the world. In fact, according to the 2014 Corridor Asset Survey, companies with a strategic location in the KC Animal Health Corridor now represent 56 percent of total **worldwide** animal health, diagnostics and pet food sales. The counties included in our Planning Region comprise eight of the ten Kansas counties included in the Animal Health Corridor geography.

Not only is the Planning Region home to the Animal Health Corridor, it is also the future home of the National Bio and Agro-Defense Facility, or NBAF. NABF is the U.S. Department of Homeland Security's foremost animal disease research facility. The \$1.25 billion facility is a biosafety level-4 laboratory and will replace the aging Plum Island Animal Disease Center in New York and is expected to be operational by 2022. After a three-year site selection process, Manhattan, Kansas, was selected as the location for NBAF. The facility is under construction on Kansas State University's Manhattan campus and is adjacent to the university's Biosecurity Research Institute. This strategic location places NBAF near important veterinary, agricultural and biosecurity research and expertise.

Life Sciences and Animal Health were obvious choices for regional cooperation between LAll and LA III.

Healthcare

Healthcare is a large and growing industry sector that includes ambulatory health care services, such as doctors' offices, dentistry practices, medical laboratories and home health care services; hospitals; nursing and residential care facilities; and social assistance. These are large industries with high growth potential given the ongoing demographic shift and the advancement of medical technology and coverage. The industry employs workers with a variety of skills and educational requirements, with career pathways achievable through stackable certificates.

According to the 2016 Job Vacancy Survey for LAII, there were 382 vacancies for Nursing Assistants, 317 for Registered Nurses, and 148 vacancies for Licensed Practical Nurses. Healthcare Practitioners and Technical positions represented 754 (7.8%) and Healthcare Support 507 (5.3%) of the total vacancies in LAII. Healthcare and Social Assistance is the largest employment sector for LAII with 1,658 establishments and 31,727 employees. Mean average annual wages in LAII for Registered Nurses and Licensed Practical Nurses is \$60,154 and \$40,444, respectively.

According to the 2016 Job Vacancy Survey for LAIII, there were 421 vacancies for Nursing Assistants, 377 for Registered Nurses, 259 for LPNs, and 166 for Pharmacy Technicians. Healthcare Practitioners and Technical positions represented 1,129 (7.2%) and Healthcare Support 521 (3.3%) of the total vacancies in LAIII. Healthcare and Social Assistance is the largest employment sector in LAIII with 2,770 establishments employing 58,036 workers.

It is not surprising that six of the top ten employers in LAIII with the highest number of open positions advertised online per month are in the Healthcare and Life Science industries: HCA (632), University of Kansas Hospital (380), Adventist Health System (221), Quest Diagnostics (180), United Health Group (146), and Saint Luke's Health System (144). Seven of the top ten professional certifications requested by employers in job openings advertised online are also healthcare related: Basic Life Support, Certified Nursing Assistant, CPR, Advanced Cardiac Life Support, Basic Cardiac Life Support, Pediatric Advanced Life Support, and EMT. The occupation group for LAIII with the highest number of monthly online openings is Healthcare Practitioners and Technical Occupations with an average of over 2,000 a month. Mean annual advertised wages for Registered Nurses and Radiologic Technicians is \$61,566 and \$64,777, respectively.

Top healthcare employers in the Planning Region include:

- Adventist Health System
- Colmery-O'Neil VA Medical Center
- Geary County Community Hospital

- HCA
- Irwin Army Community Hospital
- Lawrence Memorial Hospital
- Quest Diagnostics
- Saint Luke's Health System
- Stormont Vail Health/Cotton O'Neil Clinics
- United Health Group
- University of Kansas Hospital
- Via Christi Hospital

Education and Training Offerings/Career Pathways

The two industries selected, life sciences and healthcare, fit within WIOA's vision of career pathways very well. They both offer a multitude of occupational steps within the pathway, offering progressive levels of certification/education which provide multiple entry/exit points along the pathway. This framework allows job seekers to enter the pathway at the spot most appropriate for them and exit at the point where their occupational interest and financial needs are met. Moreover, career pathways in life sciences and healthcare both have exceptional entry-level positions which do not require a four-year degree, and wages higher than average across the Planning Region.

In addition to Life Sciences and Healthcare being high demand industries with quality career pathways, the Planning Region also contains numerous educational and training institutions with programs designed specifically to support these related industries.

WIOA funds in the Planning Region are prioritized for specific occupation/vocational technical training in demand occupations. Current partnerships in the region include, but are not limited to the following providers:

- Allen County Community College
- Cloud County Community College
- Highland Community College
- Johnson County Community College
- Kansas City Kansas Community College
- Manhattan Area Technical College
- Metropolitan Community College
- Neosho County Community College
- Washburn Institute of Technology

The workforce development system in the Planning Region supports job seekers in career pathway progression by connecting them to university programs such as the following (not all-inclusive):

- Donnelly College
- Kansas State University-College of Veterinary Medicine
- Kansas State University Olathe
- Kansas State University
- MidAmerican Nazarene
- National American University
- Saint Luke's College of Health Sciences
- University of Kansas
- University of Kansas Medical Center
- Washburn University

III. Regional Strategies in Life Sciences and Healthcare

Life Sciences (including Animal Health) Strategies

1. Engage in Regional Life Sciences Talent-to-Industry Exchange (TIE)

Talent-to-Industry Exchanges were developed as an initiative of the greater Kansas City region under the KC Rising initiative, a business-led bi-state initiative to aggressively grow the Kansas City regional economy. TIEs were developed as part of KC Rising's Human Capital work to help ensure employees in key industries have the skills needed to meet the changing needs of businesses. TIEs are public-private partnerships involving a series of facilitated discussions designed to:

- Bring disparate groups together to solve workforce problems
- Harness the expertise of leaders in business, labor, education, economic development and other sectors
- Convene competitors within specific industries to capture their insights on industry trends, challenges and opportunities

KC Rising's vision is to undergo a TIE process for multiple sectors of the economy where skill gaps exist. A coordinating committee is charged with the task of selecting which industries/sectors will go through the process and recommends industry and education leaders to participate in the exchange. The TIE process is heavily supported by the staff of the Mid-America Regional Council (MARC), Kansas City's metropolitan planning organization. Workforce Partnership (LAIII) is one of the key partners in the TIE process, which also includes the Civic Council of Greater Kansas City, the Kansas City Area Development Council, KC Rising Leadership, Greater Kansas City Chamber

of Commerce, Full Employment Council (workforce board on the Missouri side of the KC metro) and MARC.

KC Rising's first TIE was in the life sciences sector. The process kicked off in summer 2016 with a complete labor analysis performed by the Mid-America Regional Council, the Kansas City region's metropolitan planning organization. Facilitated discussions with industry leaders began in October 2016. These discussions focused on growing a talented workforce and key issues related to research and development, bioinformatics and the nexus between animal and health science. MARC published its complete Life Sciences TIE Labor Analysis in February 2017. The next step in the TIE process is to develop a Regional Action Plan.

While LA III has been involved in the Life Sciences TIE, there is a need to engage LAII in the process of developing the Regional Action Plan, especially with respect to the development of the Animal Health Corridor and the construction of NBAF. The Planning Region views the Life Sciences TIE and its continuing process of engagement as a vital planning tool for our collective regional efforts around life sciences and healthcare.

2. Work with Kansas City Area Development Council on Animal Health Corridor Workforce Initiatives

The Animal Health Corridor and its staff are housed at the Kansas City Area Development Council (KCADC). LAIII is already connected to the Animal Health Corridor staff and is aware of its efforts in general; however, there is great opportunity to expand the role of workforce boards in the human capital efforts of the Corridor. To date, the workforce boards in LAII and LAIII have not been involved in the Corridor planning and activities, nor are the workforce boards well-connected to the vast number of global animal health companies within the Corridor. LAIII intends to introduce LAII leadership to the work of the KCADC in this area and help ensure both workforce boards become more engaged in future strategic efforts around workforce development for the Animal Health Corridor.

3. Develop workforce strategy around the opening of NBAF

The construction and opening of NBAF presents a unique opportunity for the Planning Region to work together to ensure the workforce needs of the U.S. Department of Homeland Security at NBAF, as well as new private company establishments located around the facility, are met with as many LAII and LAIII residents as possible. LAII and LAIII will work with leaders at K-State and the Animal Health Corridor to ensure the local workforce boards have a voice and a role in the development of talent needed to support NBAF.

- a. MT-1 Certification Workforce Partnership, in combination with KC Animal Health Corridor Workforce Team and Metropolitan Community College, worked with area employers to bring the MT-1 certification to the Kansas City Region in order to meet the industry's need for skilled labor in manufacturing. Launched by the Manufacturing Skills Institute in 2009, the MT1 certification is endorsed by the National Association of Manufacturers and included in its National Skills Certification system. It is a hybrid training program which blends online and hands-on training designed to produce the skilled manufacturing and production technicians necessary to support the employers in the Animal Health Corridor. The program focuses on core competencies required for skilled production occupations throughout the manufacturing sector. The MT1 certification is a stackable credential that can be built upon to increase access to higher skill positions as they move along a career pathway in manufacturing. The certification demonstrates that an individual has an understanding of modern manufacturing and mastery of the following industry-wide critical technical skills: algebra, measurement, math for quality, statistical process controls, spatial reasoning, mechanics, fluid power, and thermodynamics, electricity, chemistry, manufacturing process and controls, quality and lean manufacturing, and financial/business acumen. Workforce Partnership will continue to work with the Kansas City Animal Health Corridor to promote the value of the MT-1 Certification to area employers.
- b. Work with regional educational institutions to provide more access to MT-1 Certifications

Healthcare Strategies

1. Increase participation in the workforce activities of the Kansas Hospital Association
 - a. Participate collectively in the Kansas City Metropolitan Healthcare Council

LAIII currently participates in the Kansas City Metropolitan Healthcare Council, and will continue to use this group as a sounding board and resource for its education and training programs in healthcare fields. Because of the high-demand for individuals in nursing and other allied health careers, LAII will also begin to engage with this organization as individuals trained in healthcare fields are often recruited among the metropolitan areas within the Planning Region, with employees commuting between the Kansas City metro and Lawrence and Topeka.

Across Targeted Sectors Strategies

1. Establishment of Regional Coordination Team

The current LAII/LAIII Regional Planning workgroup will transition into a Regional Coordination Team in order to further develop and refine implementation of all strategies, monitor implementation of the plan, develop new strategies for future regional planning efforts and communicate progress on the plan to regional partners and board members. The coordination team will routinely seek the input of required WIOA core partners in this work.

2. Data Sharing Across LAII and LAIII

As a member of the Regional Workforce Intelligence Network (RWIN), Local Area III has access to databases and staff resources at MARC. These databases are typically used by RWIN members to access Kansas City MSA data. However, information can be obtained for Local Area II's metros and counties through this resource. Local Area II and III will develop a data sharing arrangement that will include how the RWIN membership costs and access to its data sources will be shared.

3. Business Service and Training Team Collaboration

LAII and LAIII business service team members (representing WIOA Title I, II, III and IV) will establish regular communication to serve shared employers. Examples of regular communication may include email distribution groups, meetings as needed to discuss regional employer hiring needs, coordinated hiring events, job fairs, and recruitment efforts.

LAII and LAIII training team members (representing WIOA Title I, II, III, and IV) will establish regular communication to serve shared job seeker/student customers. Examples of regular communication may include email distribution groups, meetings as needed to discuss job seekers/students who are approaching program completion and seeking employment in the targeted industries, and working together to connect those individuals to LAII and LAIII regional employers.

LAII and LAIII staff will explore opportunities to co-host centrally located job fairs in the targeted industries which include employers and job seekers/students from the Planning Region.