

Approved 3-14-90
Date

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business

The meeting was called to order by Senator Alicia Salisbury at
Chairperson

1:30 ~~am~~ p.m. on February 28, 1990 in room 527-S of the Capitol.

All members were present ~~except~~:

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department
Gordon Self, Revisor of Statutes Office
Phil Lowe, Secretary to Committee

Conferees appearing before the committee:

Jacki Summerson, Manpower Inc.
Jeff Chanay, Manpower Inc.
A. J. Kotich, Department of Human Resources
Merrill Werts, Kansas Public Employee Relations Board
Charles Dodson, Kansas Association Public Employees
Wayne Weinecke, American Federation State and Municipal Employees
David Schauner, General Counsel, Kansas National Education Association

The Chairman, Senator Salisbury, called the meeting to order at 1:30 p.m. The Chairman announced that the committee would hold hearings on SB 645 and SB 699 today and possibly take action, since one of the committee members would not be able to be present March 1.

Senator Morris moved to approve the Minutes of February 21, 1990 and February 22, 1990. Senator Oleen seconded the motion. Motion carried.

Staff distributed written material on SDA I from Dr. Eddie Estes who was unable to appear before the committee at an earlier meeting due to icy road conditions. (Attachment V).

Jeff Chanay introduced his client, Jacki Summerson, Manpower Temporary Services, who distributed copies of her testimony. (Attachment I). She said Manpower Services would like to request an amendment to SB 645, on page 13, line 43 and page 14, line 3. Ms. Summerson said the suggested amendment would rectify an inequity in the system and would not adversely affect any employer and its obligation to the Fund. The amendment would not adversely affect any employee as they will be entitled to their full benefits. She stated that they have asked the Employment Security Division and the Employment Security Advisory Committee to look at the problem.

In response to testimony given today A. J. Kotich, Department of Human Resources, said that he would be willing to submit the amendment proposed by Manpower Temporary Services to the Employment Security Advisory Council and report back to the committee.

Merrill Werts, member of the Public Employee Relations Board, gave an explanation of SB 699, relating to the Administrative Procedures of the PERB (Attachment II). He said that SB 699 allows PERB a little more time to consider orders issued by its staff hearing officers but in all other respects PERB will also continue to be fully subject to the KAPA. Mr. Werts also suggested that the "s" be deleted from employees on line 9, page 1, and line 12 of page 2. This would bring

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business,
room 527-S Statehouse, at 1:30 ~~am~~/p.m. on February 28, 1990

the spelling into conformance with the Public Employer-Employee Relations Act, K.S.A. 74-4321.

The next conferee, Charles Dodson, Kansas Association of Public Employees, appeared in opposition to SB 699. Mr. Dodson said they are concerned with the time element involved in dealing with the Public Employees Relations Board. (Attachment III). He suggested language that would be more satisfactory to KAPE, an amendment to the Public Employer-Employee Relations Act that would allow an initial order to become final after the next meeting of the Public Employers Relations Board.

Wayne Weinecke, representing AFSME, appeared in opposition to SB 699 and said they support the remarks as presented by Mr. Dodson and that they have the same problems as KAPE.

David Schauner, General Counsel of Kansas National Education Association stated that the recommended changes proposed in Senate Bill 699 with respect to authorizing only the agency head the ability to render and serve final orders, is an additional step in politicizing the process. His written remarks are (Attachment IV).

The Chairman asked what the committee's pleasure was on SB 645 and SB 699 which were heard today.

Senator Feleciano moved that SB 699 be referred to the Committee on Ways and Means in order to extend the time for consideration of the proposal. Senator Petty seconded the motion. The motion carried.

The Chairman requestd that a representative of the Department of Human Resources be present at the meeting on March 1, 1990, for further explanation of SB 645.

The meeting was adjourned by the Chairman at 2:30 p.m.

The committee will meet again Thursday, March 1, 1990.

STATEMENT OF TESTIMONY

Re: SB-645, before Senate Committee on Labor, Industry and
Small Business

Date: February 28, 1990

From: Jacki Summerson, Manpower Temporary Services/913-267-4060

My name is Jacki Summerson. My husband and I own and operate the Manpower Temporary Service franchise offices in Topeka, Lawrence, Manhattan, Emporia, Ottawa, Wichita, Hutchinson, Newton, McPherson and Salina. Our company is one of several small business employers in the State of Kansas that provide thousands of employment opportunities to people who are in the process of looking for permanent employment but need work or simply want limited employment.

We would like to request an amendment to SB-645 at page 13, line 43 and page 14, line 3. I have attached a copy of the pages, with interlineations, to my testimony indicating the text of the amendment.

We have asked the Employment Security Division of the Department of Human Resources, Mr. Bicknell, and the Employment Security Advisory Committee to look at the problem and suggest legislation. They have acquiesced in the conclusion that the proposed amendment is the best way to address the problem which employers such as ourselves face without having to seek Federal Government approval for a modification of our state employment security law.

The problem is simply this: An employer's contribution to the Employment Security Fund is based on payroll size. The more jobs provided by an employer, the greater the contribution.

As you know, the longer an employee works, the more benefits an employee accrues. However, because the average term of employment for our temporary employees is about two weeks, they qualify for very limited unemployment benefits. The exposure of the Employment Security Fund is limited due to the short term of employment with our company.

In other words, if all of our employees were to become unemployed at the same time, the entire benefit would not come close to exhausting the amount of our contribution to the

Attachment I
2-28-90

Employment Security Fund. As an employer of employees with short terms of employment we are much different than a company like Boeing. Due to the size of their work force and the length of employment, if all of their employees became unemployed, the benefit claims would be much greater on that employer's fund balance.

As a short term employer our contribution to the Employment Security Fund far exceeds what the Employment Security Fund would ever pay to our employees because of their subsequent unemployment. Our contribution under the formula builds balances much larger than the total benefits due our employees if they were all to become unemployed.

By continuing to make contributions year after year, our account balance may grow to nine or ten times the maximum exposure for benefit claims of all employees who have worked for us. Our contribution this year will be \$225,000.00. Our claims will approximate \$95,000. I estimate our account balance will be \$840,000 by the end of the year. This substantial deposit is something we can never get back. It is not an asset or a balance sheet item. It is money that is lost "in the system" so to speak. At some point, our experience rating alleviates the amount of our overpayment but the law does not have any mechanism for refunding fund balances that far exceed exposure.

One might argue that it is good to have some employers who pay more than their benefit exposure. We hope and know that, as lawmakers, you are willing to "fine tune" or make adjustments in the law to eliminate inequities.

This is the basis for our requests. This proposed amendment does not in any way create an unfairness towards other employers since we are fully paying our way. It does not jeopardize the financial viability of the Employment Security Fund as we've made contributions which totally underwrite all benefit exposures. It is fair to the employees because it does not in any way change their entitlement to benefits.

As far as the specific amendment, the Department of Human Resources suggested that the best way to achieve this would be by an amendment to the taxable wage base.

Among the 32 states that have the ratio-reserve type of experience rating and, the taxable wage base, there is a variety of threshold levels for calculating gross wages. I have attached a summary provided by Mr. Bicknell of the Department of

Human Resources. As you can see they range from \$7,500 to \$20,900. Many are in the \$12,000 to \$15,000 level.

We are the first to concede that great caution must be taken not to open the flood gates for every employer who has a positive fund balance to seek some form of relief for contributions under the formula. There is a considerable difference, however, between simply having a positive fund balance because employment has been good and a balance is three to four times the total exposure under the worst case scenario. The spirit of the law was not intended to have such broad inequities.

This is the basis for our requested amendment to the Employment Security Law. The amendment would not adversely affect any employer and its obligation to the Fund. The amendment would not adversely affect any employee as they will be entitled to their full benefits. The amendment will not adversely affect the financial viability of the Fund as we are proposing to fully underwrite the total cost of any benefit exposure. The amendment would rectify an inequity in the system.

On behalf of short term employers, many of whom may not even understand or appreciate this inequity, I would request only fairness under the law.

1 of America, any dependency of the United States, the Common-
2 wealth of Puerto Rico, the District of Columbia and the Virgin
3 Islands.

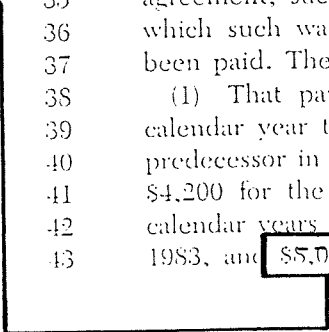
4 (m) "Unemployment." An individual shall be deemed "unem-
5 ployed" with respect to any week during which such individual
6 performs no services and with respect to which no wages are payable
7 to such individual, or with respect to any week of less than full-
8 time work if the wages payable to such individual with respect to
9 such week are less than such individual's weekly benefit amount.

10 (n) "Employment security administration fund" means the fund
11 established by this act, from which administrative expenses under
12 this act shall be paid.

13 (o) "Wages" means all compensation for services, including com-
14 missions, bonuses, back pay and the cash value of all remuneration,
15 including benefits, paid in any medium other than cash. The rea-
16 sonable cash value of remuneration in any medium other than cash,
17 shall be estimated and determined in accordance with rules and
18 regulations prescribed by the secretary. Compensation payable to
19 an individual which has not been actually received by that individual
20 within 21 days after the end of the pay period in which the com-
21 pensation was earned shall be considered to have been paid on the
22 21st day after the end of that pay period. Effective January 1, 1986,
23 gratuities, including tips received from persons other than the em-
24 ploying unit, shall be considered wages when reported in writing to
25 the employer by the employee. Employees must furnish a written
26 statement to the employer, reporting all tips received if they total
27 \$20 or more for a calendar month whether the tips are received
28 directly from a person other than the employer or are paid over to
29 the employee by the employer. This includes amounts designated
30 as tips by a customer who uses a credit card to pay the bill. Not-
31 withstanding the other provisions of this subsection (o), wages paid
32 in back pay awards or settlements shall be allocated to the week or
33 weeks and reported in the manner as specified in the award or
34 agreement, or, in the absence of such specificity in the award or
35 agreement, such wages shall be allocated to the week or weeks in
36 which such wages, in the judgment of the secretary, would have
37 been paid. The term "wages" shall not include:

38 (1) That part of the remuneration which has been paid in a
39 calendar year to an individual by an employer or such employer's
40 predecessor in excess of \$3,000 for all calendar years prior to 1972,
41 \$4,200 for the calendar years 1972 to 1977, inclusive, \$6,000 for
42 calendar years 1978 to 1982, inclusive, \$7,000 for the calendar year
43 1983, and \$5,000 with respect to employment during any calendar

STRIKE \$8,000
INSERT \$12,000



STRIKE \$8,000
INSERT \$12,000

1 year following 1983, except that if the definition of the term "wages"
2 as contained in the federal unemployment tax act is amended to
3 include remuneration in excess of ~~\$8,000~~ paid to an individual by
4 an employer under the federal act during any calendar year, wages
5 shall include remuneration paid in a calendar year to an individual
6 by an employer subject to this act or such employer's predecessor
7 with respect to employment during any calendar year up to an
8 amount equal to the dollar limitation specified in the federal un-
9 employment tax act. For the purposes of this subsection (o)(1), the
10 term "employment" shall include service constituting employment
11 under any employment security law of another state or of the federal
12 government;

13 (2) the amount of any payment (including any amount paid by
14 an employing unit for insurance or annuities, or into a fund, to
15 provide for any such payment) made to, or on behalf of, an employee
16 or any of such employee's dependents under a plan or system es-
17 tablished by an employer which makes provisions for employees
18 generally, for a class or classes of employees or for such employees
19 or a class or classes of employees and their dependents, on account
20 of (A) sickness or accident disability, except in the case of any pay-
21 ment made to an employee or such employee's dependents, this
22 subparagraph shall exclude from the term "wages" only payments
23 which are received under a ~~workmen's~~ workers compensation law.
24 Any third party which makes a payment included as wages by reason
25 of this subparagraph (2)(A) shall be treated as the employer with
26 respect to such wages, or (B) medical and hospitalization expenses
27 in connection with sickness or accident disability, or (C) death;

28 (3) any payment on account of sickness or accident disability, or
29 medical or hospitalization expenses in connection with sickness or
30 accident disability, made by an employer to, or on behalf of, an
31 employee after the expiration of six calendar months following the
32 last calendar month in which the employee worked for such
33 employer;

34 (4) any payment made to, or on behalf of, an employee or such
35 employee's beneficiary:

36 (A) From or to a trust described in section 401(a) of the federal
37 internal revenue code of 1986 which is exempt from tax under section
38 501(a) of the federal internal revenue code of 1986 at the time of
39 such payment unless such payment is made to an employee of the
40 trust as remuneration for services rendered as such employee and
41 not as a beneficiary of the trust;

42 (B) under or to an annuity plan which, at the time of such
43 payment, is a plan described in section 403(a) of the federal internal

TAXATION

Table 200.--Summary of experience-rating provisions, 52 States^{1/}

| State | Type of experience rating | | | | Tax- able wage base above \$7,000 (37 ^{1/} States) | Wages include remu- nera- tion over \$7,000 if sub- ject to PUTA (44 States) | Volun- tary contri- butions per- mitted (22 States) |
|---------|------------------------------------|------------------------------------|-------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| | Reserve ratio (32 States) | Benefit ratio (15 States) | Benefit wage ratio (4 States) | Payroll declines (1 States) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Ala. | | | X | | \$ 8,000 | X | |
| Alaska | | | | Quarterly | \$20,900 ^{3/} | X | |
| Ariz. | X | | | | | X | X |
| Ark. | X | | | | \$ 7,500 | X | X |
| Calif. | X | | | | | | |
| Colo. | X | | | | \$10,000 | X | X |
| Conn. | | X | | | \$ 7,100 | x ^{4/} | |
| Del. | | | X | | \$ 8,500 | X | |
| D.C. | X | | | | \$ 8,000 | X | |
| Fla. | | X | | | | X | |
| Ga. | X | | | | \$ 7,500 | x ^{4/} | |
| Hawaii | X | | | | \$18,600 ^{3/} | X | |
| Idaho | X | | | | \$16,800 ^{3/} | X | |
| Ill. | | | x ^{2/} | | \$ 9,000 | x ^{4/} | |
| Ind. | X | | | | | x ^{4/} | X |
| Iowa | | X | | | \$11,500 ^{3/} | X | X |
| Kans. | X | | | | \$ 8,000 | X | x ^{2/} |
| Ky. | X | | | | \$ 8,000 | X | |
| La. | X | | | | \$ 8,500 | X | x ^{2/} |
| Maine | X | | | | | X | X |
| Md. | | X | | | | X | |
| Mass. | X | | | | | X | |
| Mich. | | X | | | \$ 9,500 | X | X |
| Minn. | | X | | | \$12,200 ^{3/} | X | x ^{2/} |
| Miss. | | X | | | | X | |
| Mo. | X | | | | \$ 7,500 ^{5/} | X | X |
| Mont. | X | | | | \$12,800 ^{3/} | X | |
| Nebr. | X | | | | | X | X |
| Nev. | X | | | | \$12,600 ^{3/} | X | |
| N.H. | X | | | | | | |
| N.J. | X | | | | \$12,800 ^{3/} | X | X |
| N. Mex. | X | | | | \$11,100 ^{3/} | X | X |
| N.Y. | X | | | | | x ^{4/} | X |
| N.C. | X | | | | \$10,700 ^{3/} | X | x ^{2/} |
| N.Dak. | X | | | | \$11,200 ^{3/} | X | X |
| Ohio | X | | | | \$ 8,000 | X | X |

(Table continued on next page)

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TAXATION

Table 200.--Summary of experience-rating provisions, 52 States^{1/}(continued)

| State | Type of experience rating | | | | Tax-able wage base above \$7,000 (37 ^{1/} States) | Wages include remuneration over \$7,000 if subject to FUTA (44 States) | Voluntary contributions permitted (22 States) |
|--------|---------------------------|---------------------------|-------------------------------|-----------------------------|------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------|
| | Reserve ratio (32 States) | Benefit ratio (15 States) | Benefit wage ratio (4 States) | Payroll declines (1 States) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Okla. | | | X | | \$ 9,200 ^{3/} | | |
| Oreg. | | X | | | \$15,000 ^{3/} | | |
| Pa. | | X ^{5/} | | | \$ 8,000 | X ^{4/} | X |
| R.I. | X | | | | \$12,800 ^{3/} | X ^{4/} | |
| S.C. | X | | | | | X | |
| S.Dak. | X | | | | | X ^{4/} | X |
| Tenn. | X | | | | | X ^{4/} | |
| Tex. | | X | | | \$ 9,000 | | |
| Utah | | X | | | \$13,600 ^{3/} | X | |
| Vt. | | X | | | \$ 8,000 | X | |
| Va. | | X | | | | | |
| V.I. | X | | | | \$16,500 ^{3/} | | |
| Wash. | | X | | | \$15,600 ^{3/} | | |
| W.Va. | X | | | | \$ 8,000 | X | X |
| Wis. | X | | | | \$10,500 | X | X ^{2/} |
| Wyo. | | X | | | \$10,400 ^{3/} | X | |

^{1/}Excludes P.R. which has no experience-rating system and which levies a tax on \$7,000. See Tables 201 to 206 for more detailed analysis of experience-rating provisions.

^{2/}Voluntary contributions limited to amount of benefits charged during 12 months preceding last computation date, La.; ER receives credit for 100% of any voluntary contributions made to fund, N.C.; reduction in rate because of voluntary contributions limited to two rate groups for positive-balance ER's, other limitations apply for negative-balance ER's, Kans., and Wisc.; surcharge added equal to 25% of benefits canceled by voluntary contributions unless voluntary payment is made to overcome charges incurred as result of unemployment of 75% or more of ER's workers caused by damages from fire, flood, or other acts of God, Minn.; not permitted for yrs. in which rate schedule higher than basic schedule is in effect or in which additional surtax or solvency rates apply, La.

^{3/}See following table for computation of flexible taxable wage bases for States noted.

^{4/}Wages include all kinds of remuneration subject to FUTA.

^{5/}Formula includes reserve ratio, Pa.

^{6/}If the balance in the trust fund less Federal advances is less than \$100 million, the taxable wage base will increase by \$500 or if \$250 million or more, it will be reduced by \$500, Mo. (therefore in 1 '99 it's \$7,000) If the trust fund balance is more than \$350 million the wage base will be \$9,000, Colo....

^{7/}In the process of converting from a benefit wage ratio formula to a reserve ratio formula, Ill.

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MANPOWER TEMPORARY SERVICES
(Totals for all 11 Kansas locations)

SUMMARY OF PAST TWO YEARS:

| | Contributions Paid | Benefits Charged | Account Balance | Avg. Taxable Payroll |
|-------------------|-----------------------|---------------------|--------------------|-------------------------|
| Calendar 1989 | \$145,488 | \$86,550 | \$774,509 | \$6,995,351 |
| Est Calendar 1990 | \$225,981 | \$95,000 | \$840,000 | \$7,230,000 |

Estimated taxes OVER potential charges paid for 1990 \$130,981
Increase in taxes from 1989 to 1990 \$80,493
Potential Liability is NOT \$840,000

COMPARISON OF MANPOWER WITH AN AVERAGE COMPANY WITH EQUIVALENT WAGES:

| | |
|----------------------------------------|-------------|
| Manpower: | |
| Annual Wages | \$7,230,000 |
| # of Employees | 9200 |
| Avg. Wages Earned/Employee | \$803 |
| Estimated Unemployment Taxes for above | \$225,981 |
| Average Company with equivalent wages: | |
| Annual Wages | \$7,230,000 |
| Avg. # Employees @ \$15,000/employee | 482 |
| Estimated Unemployment Taxes for above | \$127,634 |
| Difference in Unemployment Taxes | \$98,347 |

1990 Proposed Amendments to
Employment Security Law
Approved by Employment Security Advisory Council

1. New Section--Lessor employing units (Treatment under the Law.)
Employee leasing is a relatively new, however rapidly increasing industry in Kansas. Current provisions of the Kansas Employment Security Law do not allow such firms to operate in Kansas. Recognizing that there are definite advantages to small Kansas businesses through the use of employee leasing, the Council has recommended a proposed amendment to allow employee leasing companies to operate in accordance with the law. This proposed amendment addresses two main concerns of the Council:
 - 1) Individual lessee firms and their employees must remain identifiable to the Department of Human Resources.
 - 2) Must provide a trust fund protection provision.
2. K.S.A. 44-703(a)(3)--Defines and adds a definition for "total wages."
3. K.S.A. 44-703(h)(4)(B)--Successor Employer--technical correction only (removes an extra "or.")
4. K.S.A. 44-703(ff)--Defines "Lessor employing unit."
5. K.S.A. 44-703(gg)--Defines "Client lessee."
6. K.S.A. 44-709(f)--Board of Review--clarifies appointment of the public member.
7. K.S.A. 44-710a(a)(2)(D) and Schedule I--Eligible Employers Computation of Contributing Employer Rates - Schedule I is used to assign tax rates to experience rated employers by the array method which was enacted into the Employment Security Law by the 1974 Session of the Legislature. It is used to divide employers eligible for experience rating into 21 approximately equal groups.

The Council has proposed an expansion of the number of rate groups in Schedule I from 21 to 51. The purpose is to allow a positive eligible employer's tax rate to more nearly reflect the relationship of such employer's experience rating to the experience rating of all other positive eligible employers. (Note: Neither the expansion or the contraction of the number of rate groups in Schedule I would have an affect on the overall total planned yield.)
8. K.S.A. 44-710a(c)--Voluntary Contributions
As a result of increasing the number of rate groups in Schedule I from 21 to 51, the number of groups that an employer may reduce his rate would be changed from 2 to 5.

To: Senate Committee on Labor, Industry & Small Business
 From: Merrill Werts, Member of the Public Employee Relations Board
 Subject: Explanation of 1990 SB No. 699
 Date: February 28, 1990

Senate Bill No. 699 proposes to amend K.S.A.77-526. Inasmuch as an explanation of the need for the bill requires an understanding also of the next following section, K.S.A.77-527, a copy of this is appended hereto.

The Public Employee Relations Board (PERB) became subject to the Kansas Administrative Procedures Act (KAPA) effective July 1, 1989. Prior to this date, standard operating procedure was that a staff hearing officer would preside over each case then prepare a proposed order for consideration by the full PERB at its next regular monthly meeting. The KAPA provides under K.S.A.77-526(b) that, "If the presiding officer is not the agency head, the presiding officer shall render an initial order," and under K.S.A.77-527(b) that, "if the agency head on its own motion decides to review an initial order, the agency head shall give written notice of its intention to review the initial order within 15 days of its service." In this instance, the agency head is PERB.

Since, as mentioned, the PERB normally meets no more often than monthly, the requirement, "written notice of its intention to review the initial order within 15 days" creates a substantial logistical problem as several orders may be forthcoming in any given month. This could involve many conference calls and possibly several meetings each month, to say nothing of the increased mileage expense and inconvenience for PERB members and other parties involved in matters before the PERB.

Some might question the need for the full PERB to pass upon all orders issued in its name. Inasmuch as the Kansas Supreme Court has, on occasion, recognized PERB orders as case law (albeit unpublished) and has cited them as precedent for its own decisions, current members of the PERB feel that if they are to be responsible, all orders issued in its name should have prior scrutiny by the full board.

Substantively, the only effect of SB 699 is to allow the PERB a little more time to consider orders issued by its staff hearing officers. In all other respects, it will continue to ^{be} fully subject to the KAPA.

Attachment II
 2-28-90

Others may suggest, assuming the thrust of SB 699 has merit, that it would be better in this instance to amend the Public Employer-Employee Relations Act rather than clutter KAPA with another exception. I would remind members of the committee that one of the primary reasons for enacting KAPA in 1984 was to consolidate into one chapter all of the administrative procedure and due process laws rather than to leave them scattered throughout the several chapters of the statutes which govern the different state agencies. To do this now would tend to subvert the original intent of the KAPA.

Finally, and respectfully, may I suggest that the "s" be dropped from employees on line 9 of page 1 and line 12 of page 2. This will bring the spelling into conformance with the PEER act, K.S.A.75-4321, et. seq.

in connection with any issue in that proceeding, while the proceeding is pending, with any person serving as presiding officer unless notice and an opportunity are given all parties to participate in the communication.

(d) If, before serving as presiding officer in an adjudicative proceeding, a person receives an ex parte communication of a type that could not properly be received while serving, the person, promptly after starting to serve, shall disclose the communication in the manner prescribed in subsection (e).

(e) A presiding officer who receives an ex parte communication in violation of this section shall place on the record of the pending matter all written communications received, all written responses to the communications and a memorandum stating the substance of all oral communications received, all responses made and the identity of each person from whom the presiding officer received an ex parte communication and shall advise all parties that these matters have been placed on the record. Any party desiring to rebut the ex parte communication must be allowed to do so, upon requesting the opportunity for rebuttal within 10 days after notice of the communication.

(f) If necessary to eliminate the effect of an ex parte communication received in violation of this section, a presiding officer who receives the communication may be disqualified and the portions of the record pertaining to the communication may be sealed by protective order.

(g) The state agency shall, and any party may, report any willful violation of this section to appropriate authorities for any disciplinary proceedings provided by law. In addition, each state agency, by rule and regulation, may provide for appropriate sanctions, including default, for any violations of this section.

(h) This section shall not apply to adjudicative proceedings before:

(1) The state corporation commission. Such proceedings shall be subject to the provisions of K.S.A. 77-545;

(2) the commissioner of insurance concerning any rate, or any rule, regulation or practice pertaining to the rates over which the commissioner has jurisdiction or adjudicative proceedings held pursuant to the Kansas insurance holding companies act. Such proceedings shall be subject to the provisions of K.S.A. 77-546; and

(3) the director of taxation. Such proceedings shall be subject to the provisions of K.S.A. 77-548.

History: L. 1984, ch. 313, 25; L. 1986, ch. 362, 7; L. 1988, ch. 356, 12; July 1, 1989.

77-526. Orders, initial and final; exception for state corporation commission. (a) If the presiding officer is the agency head, the presiding officer shall render a final order.

(b) If the presiding officer is not the agency head, the presiding officer shall render an initial order, which becomes a final order unless reviewed in accordance with K.S.A. 1987 Supp. 77-527 and amendments thereto.

(c) A final order or initial order shall include, separately stated, findings of fact, conclusions of law and policy reasons for the decision if it is an exercise of the state agency's discretion, for all aspects of the order, including the remedy prescribed and, if applicable, the action taken on a petition for stay of effectiveness. Findings of fact, if set forth in language that is no more than mere repetition or paraphrase of the relevant provision of law, shall be accompanied by a concise and explicit statement of the underlying facts of record to support

the findings. The order shall also include a statement of available procedures and time limits for seeking reconsideration, administrative review or other administrative relief. An initial order shall include a statement of any circumstances under which the initial order, without further notice, may become a final order.

(d) Findings of fact shall be based exclusively upon the evidence of record in the adjudicative proceeding and on matters officially noticed in that proceeding.

(e) If a substitute presiding officer is appointed pursuant to K.S.A. 1987 Supp. 77-514 and amendments thereto, the substitute presiding officer shall use any existing record and may conduct any further proceedings appropriate in the interests of justice.

(f) The presiding officer may allow the parties a designated amount of time after conclusion of the hearing for the submission of proposed findings.

(g) A final order or initial order pursuant to this section shall be rendered in writing and served within 30 days after conclusion of the hearing or after submission of proposed findings in accordance with subsection (f) unless this period is waived or extended with the written consent of all parties or for good cause shown.

(h) The presiding officer shall cause copies of the order to be served on each party and, if the order is an initial order, on the agency head in the manner prescribed by K.S.A. 1987 Supp. 77-531 and amendments thereto.

(i) Notwithstanding the other provisions of this section, if the presiding officer in a hearing before the state corporation commission is not the agency head, the presiding officer shall not render an initial order but shall make written findings and recommendations to the commission. The commission shall render and serve a final order within 60 days after conclusion of the hearing or after submission of proposed findings in accordance with subsection (f) unless this period is waived or extended with the written consent of all parties or for good cause shown.

History: L. 1984, ch. 313, 26; L. 1988, ch. 356, 13; July 1, 1989.

77-527. Review of initial order; exceptions to reviewability. (a) The agency head, upon its own motion may, and upon petition by any party or when required by law shall, review an initial order, except to the extent that:

(1) A provision of law precludes or limits state agency review of the initial order; or

(2) the agency head (A) determines to review some but not all issues, or not to exercise any review, (B) delegates its authority to review the initial order to one or more persons, unless such delegation is expressly prohibited by law, or (C) authorizes one or more persons to review the initial order, subject to further review by the agency head.

(b) A petition for review of an initial order must be filed with the agency head, or with any person designated for this purpose by rule and regulation of the state agency, within 15 days after service of the initial order. If the agency head on its own motion decides to review an initial order, the agency head shall give written notice of its intention to review the initial order within 15 days after its service. If the agency head determines not to review an initial order in response to a petition for review, the agency head shall, within 20 days after filing of the petition for review, serve on each party an order stating that

review will not be exercised.

(c) The petition for review shall state its basis. If the agency head on its own motion gives notice of its intent to review an initial order, the agency head shall identify the issues that it intends to review.

(d) In reviewing an initial order, the agency head or designee shall exercise all the decision-making power that the agency head or designee would have had to render a final order had the agency head or designee presided over the hearing, except to the extent that the issues subject to review are limited by a provision of law or by the agency head or designee upon notice to all parties.

(e) The agency head or designee shall afford each party an opportunity to present briefs and may afford each party an opportunity to present oral argument.

(f) The agency head or designee shall render a final order disposing of the proceeding or remand the matter for further proceedings with instructions to the person who rendered the initial order. Upon remanding a matter, the agency head or designee may order such temporary relief as is authorized and appropriate.

(g) A final order or an order remanding the matter for further proceedings shall be rendered in writing and served within 30 days after receipt of briefs and oral argument unless that period is waived or extended with the written consent of all parties or for good cause shown.

(h) A final order or an order remanding the matter for further proceedings under this section shall identify any difference between this order and the initial order and shall include, or incorporate by express reference to the initial order, all the matters required by subsection (c) of K.S.A. 1987 Supp. 77-526 and amendments thereto.

(i) The agency head shall cause copies of the final order or order remanding the matter for further proceedings to be served on each party in the manner prescribed by K.S.A. 1987 Supp. 77-531 and amendments thereto.

History: L. 1984, ch. 313, 27; L. 1988, ch. 356, 14; July 1, 1989.

77-528. Stay. A party may submit to the presiding officer or agency head a petition for stay of effectiveness of an initial or final order until the time at which a petition for judicial review would no longer be timely, unless otherwise provided by statute or stated in the initial or final order. The presiding officer or agency head may take action on the petition for stay, either before or after the effective date of the initial or final order.

History: L. 1984, ch. 313, 28; July 1, 1985.

77-529. Reconsideration. (a) Any party, within 15 days after service of a final order, may file a petition for reconsideration with the agency head, stating the specific grounds upon which relief is requested. The filing of the petition is not a prerequisite for seeking administrative or judicial review except as provided in K.S.A. 44-1010 and 44-1115 and amendments thereto concerning orders of the commission on civil rights, K.S.A. 1987 Supp. 55-606 and 66-118b and amendments thereto concerning orders of the corporation commission and K.S.A. 1987 Supp. 74-2426 and amendments thereto concerning orders of the board of tax appeals.

(b) The agency head shall render a written order denying the petition, granting the petition and dissolving or modifying the final order, or granting the petition and setting the matter for

further proceedings. The petition may be granted, in whole part, only if the agency head states, in the written order, findings of fact, conclusions of law and policy reasons for the decision if it is an exercise of the state agency's discretion, justify the order. The petition is deemed to have been denied if the agency head does not dispose of it within 20 days after the filing of the petition.

An order under this section shall be served on the parties in the manner prescribed by K.S.A. 1987 Supp. 77-531 and amendments thereto.

History: L. 1984, ch. 313, 29; L. 1988, ch. 356, 15; July 1, 1989.

77-530. Orders, when effective. (a) Unless a later date is stated in a final order or a stay is granted, a final order is effective upon service.

(b) Unless a later date is stated in an initial order or a stay is granted, an initial order shall become effective and shall become the final order: (1) When the initial order is served, if administrative review is unavailable; (2) when the agency head serves an order stating, after a petition for review has been filed, that review will not be exercised; or (3) 30 days after service if no party has filed a petition for review by the agency head, the agency head has not given written notice of its intention to exercise review and review by the agency head is not otherwise required by law.

(c) This section does not preclude a state agency from taking immediate action to protect the public interest in accordance with K.S.A. 1987 Supp. 77-536 and amendments thereto.

History: L. 1984, ch. 313, 30; L. 1988, ch. 356, 16; July 1, 1989.

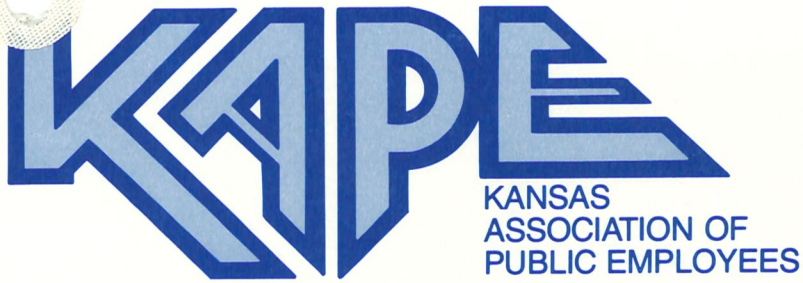
77-531. Service of order. Service of an order or notice shall be made upon the party and the party's attorney of record, if any, by delivering a copy of the order or notice to the person to be served or by mailing a copy of the order or notice to the person at the person's last known address. Delivery of a copy of an order or notice means handing the order or notice to the person or leaving the order or notice at the person's principal place of business or residence with a person of suitable age and discretion who works or resides therein. Service shall be presumed if the presiding officer, or a person directed to make service by the presiding officer, makes a written certificate of service. Service by mail is complete upon mailing. Whenever a party has the right or is required to do some act or take some proceedings within a prescribed period after service of a notice or order and the notice or order is served by mail, three days shall be added to the prescribed period.

History: L. 1984, ch. 313, 31; July 1, 1985.

77-532. Record. (a) A state agency shall maintain an official record of each formal hearing.

(b) The state agency record consists only of:

- (1) Notices of all proceedings;
- (2) any prehearing order;
- (3) any motions, pleadings, briefs, petitions, requests, and intermediate rulings;
- (4) evidence received or considered;
- (5) a statement of matters officially noticed;
- (6) proffers of proof and objections and rulings thereon;
- (7) proposed findings, requested orders and exceptions;



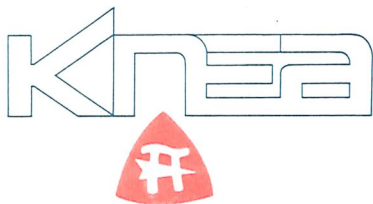
Presentation to
Committee on Labor, Industry and Small Business
by
Charles Dodson
Kansas Association of Public Employees

Madame Chairman, members of the Committee, thank you for giving me the opportunity to appear in opposition to SB 699.

We are chiefly concerned with the time element involved in dealing with the Public Employees Relations Board. We have had cases before this board for two years or more on matters as simple as designation of a unit for representation. The PERB does not have adequate staff at this time, and anything you do to slow this process down is going to work against the interest of the employees and the organizations that represent them.

Thank you for allowing me to make these brief comments

Attachment III



(4)

February 28, 1990

Sen. Alicia Salisbury
Chairperson
Senate Labor Industry and Small Business Committee
#143-N
Topeka, Kansas 66612

All Fellow Committee Members

RE: Senate Bill 699

Thank you for this opportunity to confer with the committee concerning Senate Bill No. 699.

As the General Counsel for the Kansas-National Education Association for the past eleven years, I have had many opportunities to work with the Public Employer Relations Board, as well as the Department of Human Resources Labor Relations Section.

Events of the past few years suggest an increasing political presence in the day to day administration of the Department of Human Resources Labor Relations Section and the Public Employee Relations Board.

Ideally both the PERB and the Labor Relations section should be staffed by employees who are knowledgeable in the area of labor relations and free from political interference or constraint.

The recommended changes proposed in Senate Bill 699 with respect to authorizing only the agency head the ability to render and serve final orders, is an additional step in politicizing the process.

Although the statute would require that the presiding hearing officer render written findings and recommendations to the agency head, the final decision would rest with an individual

Attachment IV

2.28-90

February 28, 1990
Page 2

who neither attended the hearing, heard the live testimony, could balance the credibility of witnesses and in many cases would have no depth of experience or background in the area of labor relations.

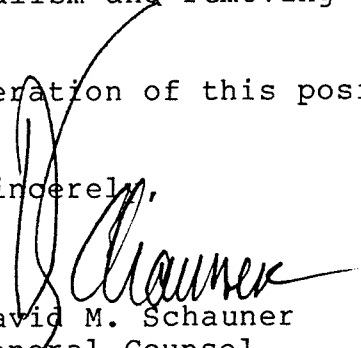
Such a system would further emasculate the independence of the PERB and the labor relations section of the Department of Human Resources.

If changes are to be made in the PERB and/or labor relation section, serious consideration should be given to providing them with greater independence and requiring that they be staffed with individuals who possess the experience, training and education necessary to balance the interests of labor and management in the public sector employment relationship.

Before the committee takes any action with respect to these amendments, I would respectfully suggest that detailed study be given to the current operation of both the PERB and labor relation section to determine whether a more independent status should be granted both entities for the express purpose of increasing their level of professionalism and removing them from the political arena.

Thank you in advance for your consideration of this position, I remain,

Sincerely,



David M. Schauner
General Counsel

dje

4-2

SDA I JTPA
YEAR END REPORT

Program Year 1988

Attachment IV
2-28-90

SERVICE DELIVERY AREA I JTPA
YEAR END REPORT TO THE PIC/LEO
PROGRAM YEAR 1988

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SECTION I-TITLE IIA

A. FISCAL REPORT

1. A Service Delivery Area I Title IIA Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Program Year 1988 is provided below.

SERVICE DELIVERY AREA I
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual-
 Title IIA Adult and Youth
 Field Operations and Special Projects
 for the Fiscal Year Ended June 30, 1989

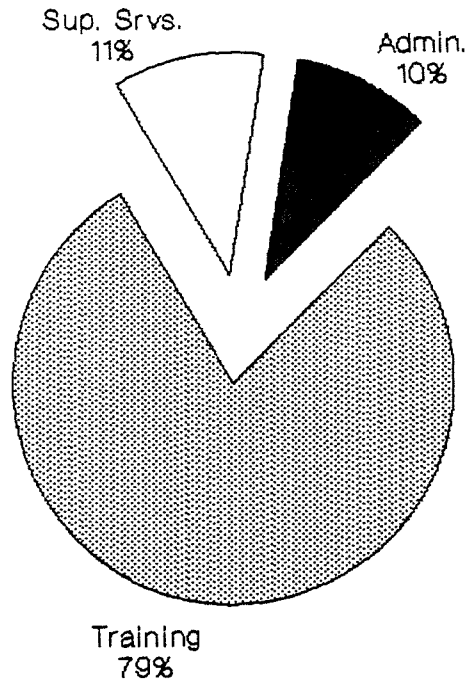
| | Title IIA Adult | | | Title IIA Youth | | | Total | | |
|------------------------------|--------------------|--------------------|-----------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues: | | | | | | | | | |
| Allocation | \$999,738 | \$999,738 | ---- | \$781,497 | \$781,497 | ---- | \$1,781,235 | \$1,781,235 | ---- |
| Carryover From FY 1988 | \$352,603 | \$352,603 | ---- | \$275,628 | \$275,628 | ---- | \$628,231 | \$628,231 | ---- |
| Incentive Grant Award | \$47,749 | \$47,749 | ---- | \$15,916 | \$15,916 | ---- | \$63,665 | \$63,665 | ---- |
| Total Revenues | \$1,400,090 | \$1,400,090 | ---- | \$1,073,041 | \$1,073,041 | ---- | \$2,473,131 | \$2,473,131 | ---- |
| Expenditures: | | | | | | | | | |
| Administration | \$202,618 | \$118,055 | \$84,563 | \$130,877 | \$98,883 | \$31,994 | \$333,495 | \$216,938 | \$116,557 |
| Supportive Services | \$128,311 | \$95,685 | \$32,626 | \$238,293 | \$134,871 | \$103,422 | \$366,604 | \$230,556 | \$136,048 |
| Training | \$1,069,161 | \$1,106,523 | (\$37,362) | \$703,871 | \$611,255 | \$92,616 | \$1,773,032 | \$1,717,778 | \$55,254 |
| Total Expenditures | \$1,400,090 | \$1,320,263 | \$79,827 | \$1,073,041 | \$845,009 | \$228,032 | \$2,473,131 | \$2,165,272 | \$307,859 |
| Fund Balances- June 30, 1989 | | | \$79,827 | | | \$228,032 | | | \$307,859 |

NOTE 1: Title IIA Funds include 78% and 6% funding only.

SECTION I-TITLE IIA

2. Chart 1.1 below illustrates the expenditures for the three cost categories under JTPA: Administration, Supportive Services, and Training. Title IIA JTPA permits a 15% limit on expenditures for Administration and a 30% limit on expenditures for Administration and Supportive Services combined.

CHART 1.1
Title IIA Expenditures



NOTE: SDA I was in compliance with all JTPA mandated expenditure limits for Program Year 1988.

5-4

SECTION I-TITLE IIA

B. PROGRAM ACTIVITIES

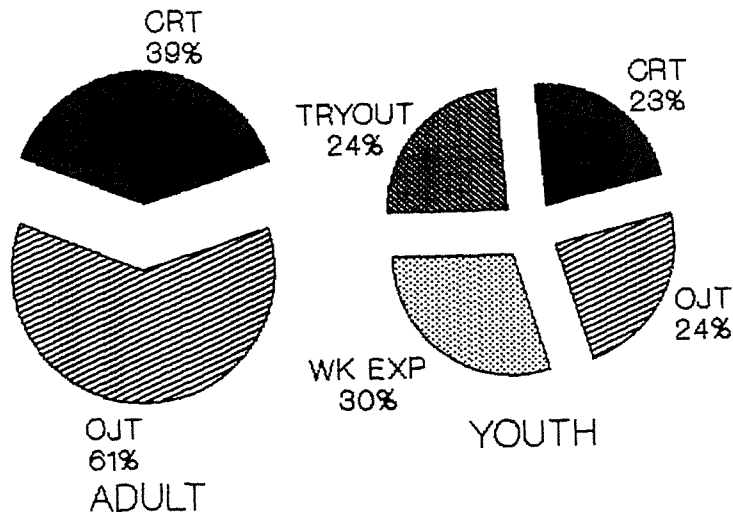
1. Training Activities

Service Delivery Area I Title IIA participants were enrolled in four primary training activities during Program Year 1988:

- a. On-the-Job Training
- b. Classroom Training
- c. Work Experience
- d. Youth Tryout

Chart 1.2 below illustrates the percentage of the total participants enrolled in each activity.

CHART 1.2
Title IIA Enrollments



Enrollments: Adult 1,070 Youth 884
Participants: Adult 1,051 Youth 841

SECTION I-TITLE IIA

C. PARTICIPANT CHARACTERISTICS

Table 1.1 below outlines Service Delivery Area I Program Year 1988 Title IIA participant characteristics.

TABLE 1.1- SDA I PARTICIPANT CHARACTERISTICS

| <u>Demographic Group</u> | <u>Total Number Persons Below Poverty</u> | <u>% of Total Persons Below Poverty</u> | <u>Planned Number to be Served</u> | <u>Actual Number Served</u> | <u>+ or - Planned Number to be Served</u> |
|--------------------------|-------------------------------------------|-----------------------------------------|------------------------------------|-----------------------------|-------------------------------------------|
| Male | 27,000 | 43.5% | 823 | 1009 | +186 |
| * Female | 35,100 | 56.5% | 1,069 | 883 | -186 |
| White | 56,400 | 90.8% | 1,718 | 1606 | -112 |
| * Black | 1,400 | 2.3% | 44 | 91 | + 47 |
| * Hispanic | 3,500 | 5.6% | 106 | 140 | + 34 |
| * Native American | 400 | .6% | 12 | 8 | - 4 |
| * Asian or P.I. | 400 | .6% | 12 | 47 | + 35 |
| * Public Assistance | 14,208 | 22.9% | 433 | 247 | -186 |
| * Limited English | 300 | .5% | 9 | 68 | + 59 |
| * Handicapped | 2,800 | 4.5% | 85 | 409 | +324 |
| * Offender | 100 | .1% | 4 | 220 | +216 |
| * School Dropouts | 23,000 | 20.1% | 384 | 274 | -110 |

* Targeted Groups: Total JTPA participants served must be in proportion to the targeted groups incidence in the SDA I population of persons below poverty.

SECTION I-TITLE IIA

D. PROGRAM PERFORMANCE

Table 1.2 below compares the SDA I Title IIA Adjusted Performance Standards with Actual Performance for Program Year 1988.

TABLE 1.2- PERFORMANCE STANDARDS

FEDERAL STANDARDS:

| <u>Performance Measure</u> | <u>SDA Adjusted Standard</u> | <u>Actual Performance</u> | <u>+/-</u> |
|----------------------------------------|------------------------------|---------------------------|------------|
| 1. ENTERED EMPLOYMENT RATE (A) | 72.90% | 78.90% | + 6.00% |
| 2. AVERAGE WAGE AT PLACEMENT (A) | \$5.08 | \$4.95 | -\$.13 |
| 3. WELFARE ENTERED EMPLOYMENT RATE (A) | 64.52% | 59.84% | - 4.68% |
| 4. ENTERED EMPLOYMENT RATE (Y) | 48.80% | 52.80% | + 4.00% |
| 5. EMPLOYABILITY ENHANCEMENT RATE (Y) | 33.87% | 40.96% | + 7.09% |
| 6. FOLLOW UP EMPLOYMENT RATE (A) | 67.18% | 94.10% | +26.92% |
| 7. FOLLOW UP WELFARE EMPLOYMENT (A) | 60.21% | 86.67% | +26.46% |
| 8. FOLLOW UP WEEKLY EARNINGS (A) | \$183.00 | \$176.00 | -\$7.00 |

STATE STANDARDS:

| <u>Performance Measure</u> | <u>SDA Adjusted Standard</u> | <u>Actual Performance</u> | <u>+/-</u> |
|--------------------------------------------|------------------------------|---------------------------|------------|
| 1. PERCENT AFDC PARTICIPANTS (A&Y) | 21.20% | 11.38% | - 9.82% |
| 2. PERCENT FEMALE PARTICIPANTS (A&Y) | 57.00% | 49.71% | - 7.29% |
| 3. PERCENT MINORITY PARTICIPANTS (A&Y) | 9.50% | 13.55% | + 4.05% |
| 4. ENTERED NEW OR EXPANDING INDUSTRY (A&Y) | 5.00% | 6.37% | + 1.37% |

NOTE: (A)= Adult Standard Only
 (Y)= Youth Standard Only
 (A&Y)=Adult and Youth Standard

SECTION I-SUBSECTION A: FIELD OPERATIONS

A. FISCAL REPORT

1. A Service Delivery Area I Title IIA Field Operations Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Program Year 1988 is provided below.

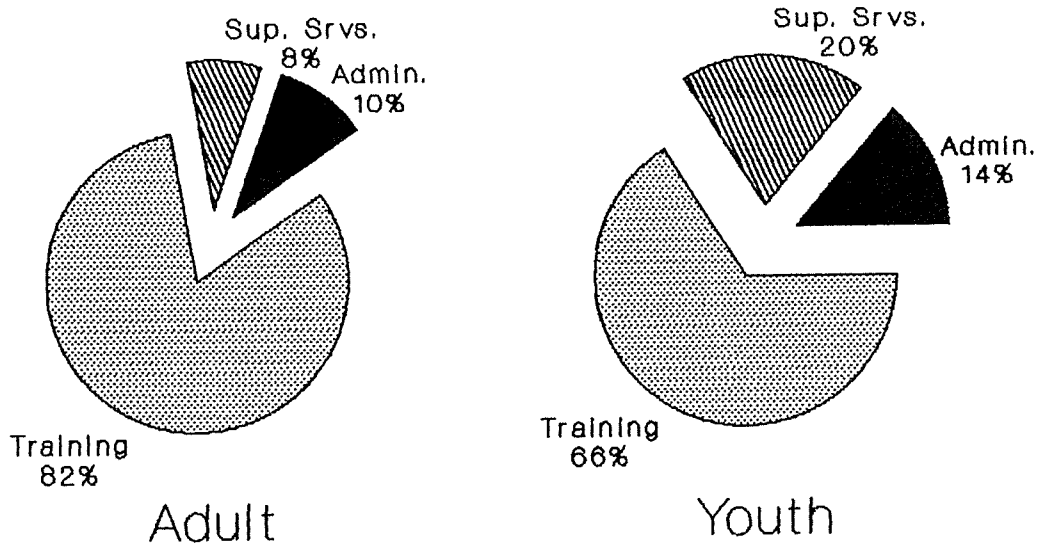
SERVICE DELIVERY AREA I
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual-
 Title IIA Adult and Youth Field Operations
 for the Fiscal Year Ended June 30, 1989

| | Adult Field Operations | | | Youth Field Operations | | | Total | | |
|------------------------------|------------------------|-------------|------------|------------------------|-----------|-----------|-------------|-------------|------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Appropriation: | \$1,156,889 | \$1,156,889 | ---- | \$814,987 | \$814,987 | ---- | \$1,971,876 | \$1,971,876 | ---- |
| Expenditures: | | | | | | | | | |
| Administration | \$199,435 | \$118,055 | \$81,380 | \$121,578 | \$98,883 | \$22,695 | \$321,013 | \$216,938 | \$104,075 |
| Supportive Services | \$109,423 | \$90,595 | \$18,828 | \$225,701 | \$133,939 | \$91,762 | \$335,124 | \$224,534 | \$110,590 |
| Training | \$848,031 | \$929,710 | (\$81,679) | \$467,708 | \$449,890 | \$17,818 | \$1,315,739 | \$1,379,600 | (\$63,861) |
| Total Expenditures | \$1,156,889 | \$1,138,360 | \$18,529 | \$814,987 | \$682,712 | \$132,275 | \$1,971,876 | \$1,821,072 | \$150,804 |
| Fund Balances- June 30, 1989 | | | \$18,529 | | | \$132,275 | | | \$150,804 |

SECTION I-SUBSECTION A: FIELD OPERATIONS

2. Chart 1.3 below illustrates the expenditures for the three cost categories under JTPA: Administration, Supportive Services, and Training.

CHART 1.3
Title IIA Expenditures
SDA I Field Operations



SECTION I-SUBSECTION A: FIELD OPERATIONS

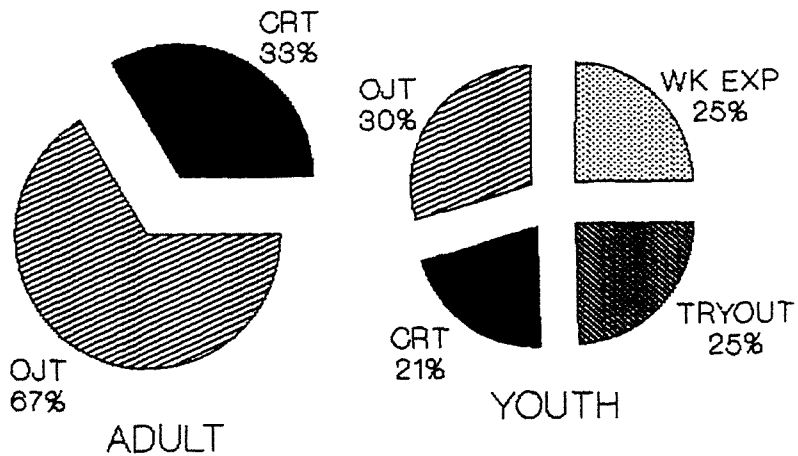
B. PROGRAM ACTIVITIES

Four primary enrollment activities were used to provide training for participants enrolled by the Service Delivery Area I Field Operations Staff during Program Year 1988:

- a. On-the-Job Training
- b. Classroom Training
- c. Work Experience
- d. Youth Tryout

Chart 1.4 below illustrates the percentage of the total participants enrolled in each activity.

CHART 1.4
IIA Field Operations Enrollments



Enrollments: Adult 819; Youth 656

SECTION I-SUBSECTION B: SPECIAL PROJECTS

Service Delivery Area I Special Projects were funded through Title IIA 78%, 6%, and 8% funding. The 78% and 6% funding were used for IIA Setaside Special Projects. The 8% funding was used for Education Coordination Special Projects.

Note: 78% funds are directly allocated to the SDA; 6% funds are received by the SDA as an incentive award for attaining/exceeding performance standards, and; 8% funds are reserved by the Governor for projects with educational and community based entities to be coordinated between the SDA and the Kansas Department of Education-Vocational Education).

A. FISCAL REPORT

1. A Service Delivery Area I Title IIA 78% Special Projects Statement of Revenues, Expenditures, and Changes in Fund Balances for Program Year 1988 is provided below.

SERVICE DELIVERY AREA I
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual-
Title IIA 78% Funded Adult and Youth Special Projects
for the Fiscal Year Ended June 30, 1989

| | Adult Special Projects | | | Youth Special Projects | | | Total | | |
|------------------------------|------------------------|-----------|----------|------------------------|-----------|----------|-----------|-----------|-----------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Appropriation: | \$195,452 | \$195,452 | ---- | \$242,138 | \$242,138 | ---- | \$437,590 | \$437,590 | ---- |
| Expenditures: | | | | | | | | | |
| Administration | \$0 | \$0 | \$0 | \$6,116 | \$0 | \$6,116 | \$6,116 | \$0 | \$6,116 |
| Supportive Services | \$18,888 | \$5,091 | \$13,797 | \$12,592 | \$932 | \$11,660 | \$31,480 | \$6,023 | \$25,457 |
| Training | \$176,564 | \$151,097 | \$25,467 | \$223,430 | \$156,919 | \$66,511 | \$399,994 | \$308,016 | \$91,978 |
| Total Expenditures | \$195,452 | \$156,188 | \$39,264 | \$242,138 | \$157,851 | \$84,287 | \$437,590 | \$314,039 | \$123,551 |
| Fund Balances- June 30, 1989 | | | \$39,264 | | | \$84,287 | | | \$123,551 |
| | | | ===== | | | ===== | | | ===== |

SECTION I-SUBSECTION B: SPECIAL PROJECTS

2. A Service Delivery Area I Title IIA 6% Special Projects Statement of Revenues, Expenditures, and Changes in Fund Balances for Program Year 1988 is provided below.

SERVICE DELIVERY AREA I
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual-
Title IIA 6% Incentive Grant Funds Special Projects
for the Fiscal Year Ended June 30, 1989

| | Adult Incentive Award Funds | | | Youth Incentive Award Funds | | | Total | | |
|------------------------------|-----------------------------|----------|----------|-----------------------------|----------|----------|----------|----------|----------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Appropriation: | \$47,749 | \$47,749 | ---- | \$15,916 | \$15,916 | ---- | \$63,665 | \$63,665 | ---- |
| Expenditures: | | | | | | | | | |
| Administration | \$3,183 | \$0 | \$3,183 | \$3,183 | \$0 | \$3,183 | \$6,366 | \$0 | \$6,366 |
| Supportive Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Training | \$44,566 | \$25,716 | \$18,850 | \$12,733 | \$4,446 | \$8,287 | \$57,299 | \$30,162 | \$27,137 |
| Total Expenditures | \$47,749 | \$25,716 | \$22,033 | \$15,916 | \$4,446 | \$11,470 | \$63,665 | \$30,162 | \$33,503 |
| Fund Balances- June 30, 1989 | | | \$22,033 | | | \$11,470 | | | \$33,503 |

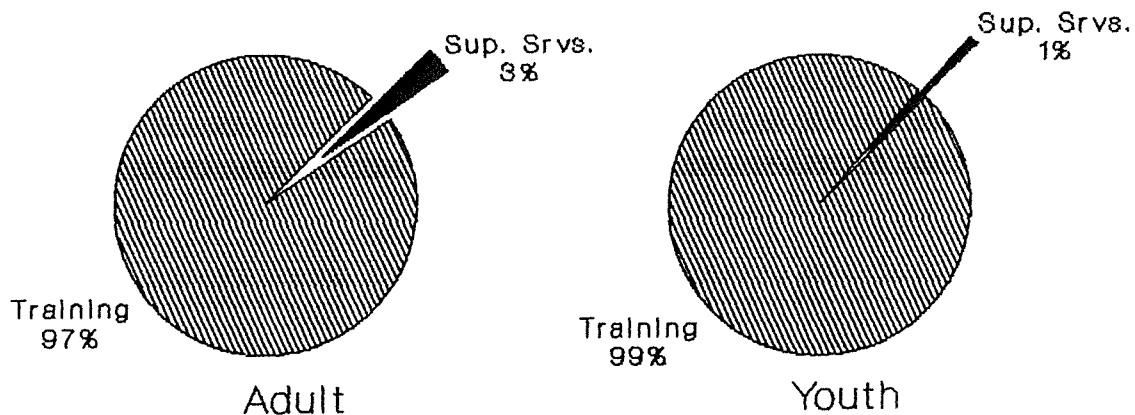
NOTE 1: Kansas State Industrial Reformatory and Norton Correctional Facility Special Projects were funded during Program Year 1988 with Incentive Award Funds.

NOTE 2: Projects funded with Incentive Award Funds are not included in the calculation of Federal and State Performance Standards.

SECTION I-SUBSECTION B: SPECIAL PROJECTS

3. Chart 1.5 below illustrates the IIA Setaside Special Project expenditures for Supportive Services and Training. Note there were no JTPA Administrative expenditures for IIA Setaside Special Projects.

CHART 1.5
IIA SETASIDE SPECIAL PROJECTS
Expenditures



SECTION I-SUBSECTION B: SPECIAL PROJECTS

4. Table 1.3 below illustrates the Contracted, Expended, and Deobligated amounts for each of the IIA Setaside Special Projects.

TABLE 1.3- IIA Setaside Special Projects Fiscal Summary

| SERVICE PROVIDER | CONTRACTED AMOUNT | EXPENDED | DEOBLIGATED |
|---------------------------|-------------------|------------------|------------------|
| Central KS AVTS | \$12,920 | \$6,047 | \$6,500 |
| * KSIR | \$33,280 | \$28,944 | \$0 |
| Dodge City Comm. Coll. | \$41,644 | \$25,162 | \$11,360 |
| Area Agency on Aging | \$30,551 | \$30,410 | \$0 |
| Hays Special Ed. Coop. | \$12,734 | \$3,721 | \$8,000 |
| Hutchinson H.S. | \$26,378 | \$26,378 | \$0 |
| High Plains Coop. | \$27,411 | \$10,212 | \$15,411 |
| SW KS Spec. Ed. Coop. | \$2,185 | \$0 | \$2,185 |
| NW KS Ed. Serv. Center | \$32,273 | \$30,039 | \$0 |
| Cloud Co. Comm. College | \$40,215 | \$26,569 | \$13,442 |
| Salina AVTS | \$30,975 | \$11,618 | \$17,447 |
| Colby Comm.Coll.(ReEntry) | \$69,626 | \$27,946 | \$35,664 |
| Barton Co. Comm.College | \$16,858 | \$6,460 | \$3,477 |
| Colby C.C. (Drop-outs) | \$9,072 | \$2,156 | \$6,072 |
| * Colby C.C. (Offenders) | \$6,360 | \$1,217 | \$3,574 |
| Ws. Ks. Comm. Svcs. Cons. | \$37,500 | \$35,285 | \$0 |
| Occup. Ctr. Central KS | \$25,020 | \$19,200 | \$0 |
| Develop. Serv. of NW KS | \$18,513 | \$12,446 | \$5,963 |
| Trg. and Eval. Ctr. Hdcp. | \$23,220 | \$22,090 | \$0 |
| Garden City Comm. Coll. | \$26,851 | \$18,301 | \$8,548 |
| TOTALS | \$523,586 | \$344,201 | \$137,643 |

* Indicates 6% Project

SECTION I-SUBSECTION B: SPECIAL PROJECTS

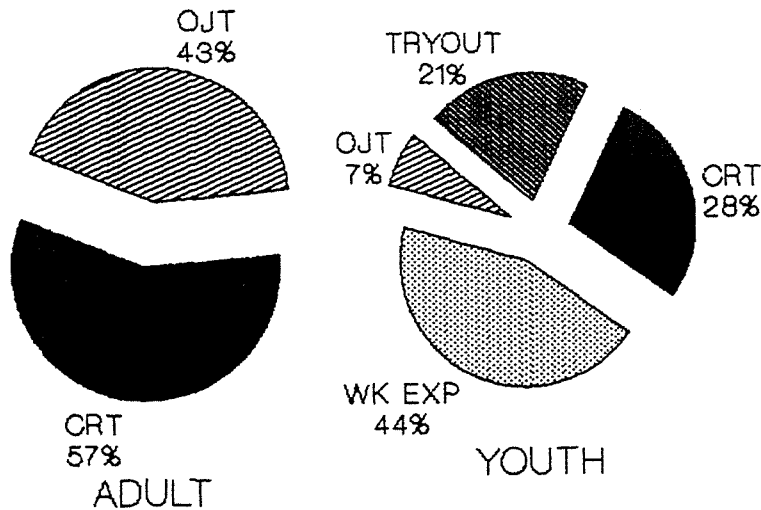
B. PROGRAM ACTIVITIES

Four primary enrollment activities were used to provide training for participants enrolled by the Service Delivery Area I Special Projects Staff during Program Year 1988:

- a. On-the-Job Training
- b. Classroom Training
- c. Work Experience
- d. Youth Tryout

Chart 1.6 below illustrates the percentage of the total participants enrolled in each activity.

CHART 1.6
IIA Setaside Special Projects
Enrollments



Participants: Adult 251; Youth 228

SECTION I-SUBSECTION B: SPECIAL PROJECTS

C. IIA SETASIDE PROJECT SUMMARIES

1. SERVICE PROVIDER: Hays West Central KS Special Education Coop

Brief Description:

This project included provisions for vocational assessment of 16 participants and classroom instruction in pre-employment skills and work maturity skills. JTPA Work Experience and Youth Try-out components and training through Area Vocational Technical programs were also utilized.

Final PY88 Results:

Amount of Grant: \$12,533
Total Amount Spent: \$3,721.33
Amount Deobligated: \$8,000
Number of Participants Served: 4
Positive Termination Rate: 100%

PY89 Information:

Amount of Grant: \$12,533
Number of Participants to be Served: 14

2. SERVICE PROVIDER: Hutchinson Public Schools

Brief Description:

This project was designed to assist 45 high school special needs students (both handicapped and economically disadvantaged) in reaching their optimum vocational potential by using a six phase program. This included using a competency-based program which included basic communication and math skills, pre-employment skills, vocational interests, vocational assessment, work samples, and a combination of JTPA Work Experience, Youth Try-out or On-the-Job Training activities or unsubsidized employment.

Final PY88 Results:

Amount of Grant: \$26,378
Total Amount Spent: \$26,378
Number of Participants Served: 21
Positive Termination Rate: 69%
Negative Termination Rate: 31%

PY89 Information:

Amount of Grant: \$26,378
Number of Participants to be Served: 37

SECTION I-SUBSECTION B: SPECIAL PROJECTS

3. SERVICE PROVIDER: High Plains Educational Coop

Brief Description:

This project was to assist 45 high school special needs students in the transition from school to work by developing a work maturity and vocational training program.

Final PY88 Results:

Amount of Grant: \$27,411
Total Amount Spent: \$10,212
Amount Deobligated: \$15,411
Number of Participants Served: 36
Positive Termination Rate: 68%
Negative Termination Rate: 32%

PY89 Information:

Amount of Grant: \$27,411
Number of Participants to be Served: 46

4. SERVICE PROVIDER: Southwest Kansas Area Coop

Brief Description:

This project was to provide school to work transition for 20 high school special education students through a four phase program: assessment, pre-employment skills, work maturity, and specific skills training.

Final PY88 Results:

Amount of Grant: \$2,185
Total Amount Spent: 0
Amount Deobligated: \$2,185
Number of Participants Served: 13
Positive Termination Rate: 86%
Negative Termination Rate: 14%

PY89 Information:

Amount of Grant: \$2,185
Number of Participants to be Served: 20

SECTION I-SUBSECTION B: SPECIAL PROJECTS

5. SERVICE PROVIDER: Northwest Kansas Educational Service Center

Brief Description:

This project planned to assist 55 special needs students with learning the basic skills and help them apply those skills to adult survival skills. Pre-employment skills were taught in the classroom and JTPA Work Maturity and Youth Try-out components were utilized.

Final PY88 Results:

Amount of Grant: \$32,273
Total Amount Spent: \$30,039.20
Number of Participants Served: 42
Positive Termination Rate: 96%
Negative Termination Rate: 4%

PY89 Information:

Amount of Grant: \$32,273
Number of Participants to be Served: 32

6. SERVICE PROVIDER: Central Kansas Area Vocational School

Brief Description:

This project was to train 17 economically disadvantaged participants, including single parents, displaced homemakers and disadvantaged males and females, as Building Maintenance Mechanics at CKA VTS.

Final PY88 Results:

Amount of Grant: \$12,920
Total Amount Spent: \$6046.76
Amount Deobligated: \$6500
Number of Participants Served: 9
Entered Employment Rate: 29%
Average Wage at Placement: \$5.43/hour
Negative Termination Rate: 71%

PY89 Information:

Amount of Grant: \$8350
Number of Participants to be Served: 10

SECTION I-SUBSECTION B: SPECIAL PROJECTS

7. SERVICE PROVIDER: Cloud County Community College

Brief Description:

This project planned to assist 50 Economically Disadvantaged Females in entering the labor market by providing them with pre-employment training, basic academic skills and entry level vocational training.

Final PY88 Results:

Amount of Grant: \$40,214.80
Total Amount Spent: \$26,569.28
Amount Deobligated: \$13,441.80
Number of Participants Served: 39
Entered Employment Rate: 41%
Average Wage at Placement: \$3.90/hour
Negative Termination Rate: 59%

PY89 Information:

Amount of Grant: \$38,144
Number of Participants to be Served: 50

8. SERVICE PROVIDER: Salina Area Vocational-Technical School

Brief Description:

This program was to assist economically disadvantaged women in obtaining employment through the offering of a comprehensive occupational program reinforced through Basic Academic Skill Competency. Participants were to be enrolled in non-traditional as well as traditional vocational programs at the vocational school.

Final PY88 Results:

Amount of Grant: \$30,975
Total Amount Spent: \$11,618.36
Amount Deobligated: \$17,447.14
Number of Participants Served: 9
Entered Employment Rate: 43%
Average Wage at Placement: \$4.42/hour
Negative Termination Rate: 57%

PY89 Information:

Amount of Grant: \$31,045
Number of Participants to be Served: 15

SECTION I-SUBSECTION B: SPECIAL PROJECTS

9. SERVICE PROVIDER: Colby Community College

Brief Description:

This program planned to assist 40 economically disadvantaged women in becoming financially self sufficient through career assessment, educational training and job placement.

Final PY88 Results:

Amount of Grant: \$69,626
Total Amount Spent: \$27,946.21
Amount Deobligated: \$35,664.24
Number of Participants Served: 14
Entered Employment Rate: 89%
Average Wage at Placement: \$5.47/hour
Negative Termination Rate: 11%

PY89 Information:

Amount of Grant: \$69,221
Number of Participants to be Served: 30

10. SERVICE PROVIDER: Barton County Community College

Brief Description:

This program focused upon the employment training needs of 48 KanWork participants in securing employment and becoming financially self-sufficient. Job Seeking Skills classes were held to prepare participants to enter the job market.

Final PY88 Results:

Amount of Grant: \$16,821
Total Amount Spent: \$6,460.05
Amount Deobligated: 3,477
Number of Participants Served: 15
Entered Employment Rate: 100%
Average Wage at Placement: \$4.03/hour

PY89 Information:

Amount of Grant: \$16,821
Number of Participants to be Served: 36

SECTION I-SUBSECTION B: SPECIAL PROJECTS

11. SERVICE PROVIDER: Colby Community College

Brief Description:

This project planned to assist 39 school dropouts who left school during the past five years before completing high school by assisting with GED and vocational training.

Final PY88 Results:

Amount of Grant: \$9072
Total Amount Spent: \$2165.07
Amount Deobligated: \$6072
Number of Participants Served: 15
Entered Employment Rate: 25%
Average Wage at Placement: \$4.50/hour
Positive Termination Rate: 88%
Negative Termination Rate: 12%

PY89 Information:

Amount of Grant: \$5400
Number of Participants to be Served: 25

12. SERVICE PROVIDER: Central Kansas Area Vocational School/
Kansas State Industrial Reformatory

Brief Description:

A Job Placement Counselor planned to work with 120 inmate parolees to secure job placement by 1) counseling with inmates concerning career guidance; 2) establishing working linkages with JTPA staff in identifying potential jobs for inmates in their particular service areas; 3) transporting inmates to job sites for applications and interviews; and 4) confirming job offers for the benefit of the Kansas Parole Board and other interested parties.

Final PY88 Results:

Amount of Grant: \$33,280
Total Amount Spent: \$28,944.12
Number of Participants Served: 73
Entered Employment Rate: 100%
Average Wage at Placement: \$4.42/hour

PY89 Information:

Amount of Grant: \$33,280
Number to Serve: 90

SECTION I-SUBSECTION B: SPECIAL PROJECTS

13. SERVICE PROVIDER: Colby Community College

Brief Description:

This project planned to assist 53 incarcerated males at the Norton Correctional Facility in obtaining GED and Vocational training.

Final PY88 Results:

Amount of Grant: \$6,360
Total Amount Spent: \$1,217
Amount Deobligated: \$3,574
Number of Participants Served: 22
Entered Employment Rate: 10%
Average Wage at Placement: \$4.85/hour
Positive Termination Rate: 76%
Negative Termination Rate: 24%

PY89 Information:

Amount of Grant: \$6,360
Number of Participants to be Served: 48

14. SERVICE PROVIDER: Dodge City Community College

Brief Description:

This project planned to provide assessment and training for 40 offenders who will be referred to the Dodge City Community College through the Court System. Open entry/open exit enrollments were to be available for both customized vocational training as well as established traditional programs.

Final PY88 Results:

Amount of Grant: \$41,644
Total Amount Spent: \$25,162.01
Amount Deobligated: \$11,360
Number of Participants Served: 10
Entered Employment Rate: 30%
Average Wage at Placement: \$4.05
Negative Termination Rate: 70%

PY89 Information:

Amount of Grant: \$41,644
Number of Participants to be Served: 40

SECTION I-SUBSECTION B: SPECIAL PROJECTS

15. SERVICE PROVIDER: Occupational Center of Central Kansas

Brief Description:

Three Job coaches were added to the Occupational Center of Central Kansas staff to place disabled youth and adults in full or part-time unsubsidized employment.

Final PY88 Results:

Amount of Grant: \$25,020
Total Amount Spent: \$16,572.42
Number of Participants Served: 13
Entered Employment Rate: 100%
Average Wage at Placement: \$3.67/hour

PY89 Information:

Amount of Grant: \$25,020
Number of Participants to be Served: 18

16. SERVICE PROVIDER: Developmental Services of Northwest Kansas

Brief Description:

DSNWK planned to evaluate and job place 9 mentally handicapped participants in competitive jobs in Norton and Graham county areas. Evaluation, job readiness training, and shadow training were used to assist participants.

Final PY88 Results:

Amount of Grant: \$18,513
Total Amount Spent: \$12,445.83
Amount Deobligated: \$5,963
Number of Participants Served: 1
Entered Employment Rate: 100%
Average Wage at Placement: \$3.35/hour

PY89 Information:

Amount of Grant: \$18,513
Number of Participants to be Served: 9

SECTION I-SUBSECTION B: SPECIAL PROJECTS

17. **SERVICE PROVIDER:** Training and Evaluation Center for the Handicapped, Inc. (TECH)

Brief Description:

A Job Placement Counselor was to be hired to train and place 20 severely handicapped adults in unsubsidized employment. Evaluation, job readiness training, and shadow training were used to assist participants.

Final PY88 Results:

Amount of Grant: \$23,220
Total Amount Spent: \$22,089.59
Number of Participants Served: 24
Entered Employment Rate: 100%
Average Wage at Placement: \$3.56/hour

PY89 Information:

Amount of Grant: \$23,220
Number of Participants to be Served: 20

18. **SERVICE PROVIDER:** North Central-Flint Hills Area Agency on Aging

Brief Description:

This project planned to train 36 economically disadvantaged job seekers who are age 55+ in job search skills and provide them with job specific skills training and job development services. The project used the Salina Area Vocational Technical School to provide training in Custodial Maintenance and General Office Clerk to participants in the program.

Final PY88 Results:

Amount of Grant: \$30,551
Total Amount Spent: \$30,410.26
Number of Participants Served: 45
Entered Employment Rate: 73%
Average Wage at Placement: \$4.76/hour
Negative Termination Rate: 27%

PY89 Information:

Amount of Grant: \$42,839
Number of Participants to be Served: 53