

Approved: 5-18-92
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 1:30 p.m. on May 4, 1992 in room 514-S of the Capitol.

All members were present except: Representatives Kline and Adam. (Both excused).

Committee staff present: Ellen Piekalkiewicz, Legislative Research Department
Debra Duncan, Legislative Research Department
Jim Wilson, Revisor of Statutes
Sue Krische, Administrative Aide
Rose Baker, Committee Secretary

Conferees appearing before the committee:

Representative Tim Shallenberger
Yo Bestgen, Executive Director, Kansas Association of Rehabilitation Facilities
Senator Janis Lee
Linda Clanton, Division of Employment and Training, DHR
Charles Dodson, KAPE

Others attending: See attached list

HB 3214 - Concerning the KanWork act; relating to contracts for certain services.

Yo Bestgen, Executive Director, Kansas Association of Rehabilitation Facilities, presented testimony in support of HB 3214 (Attachment 1). Ms. Bestgen explained to the Committee that this bill would allow SRS to enter into agreements with community based rehabilitation facilities. HB 3214 would also allow SRS to further implement the KanWork program.

Chairman Teagarden directed staff to pass out to the Committee written testimony in support of HB 3214 (Attachment 2) and a balloon amendment (Attachment 3) from Donna Whiteman, Secretary, SRS. Robert Barnum represented SRS and provided answers to questions. In response to a question from Representative Vancrum regarding a quadriplegic in the Kansas City area, Mr. Barnum suggested that within the scope of KanWork the providers in the Kansas City area would be the PIC Council or some organization in the JOBS program.

Representative Shallenberger explained HB 3214 to the Committee. He stated that the KanWork program is being expanded and that community service providers are needed to help with this expansion. This bill would allow SRS to develop agreements with community providers. These providers would offer vocational services to adults with developmental disabilities.

Senator Janis Lee presented testimony in opposition to HB 3214 (Attachment 4) which she notes that to assure that there will not be a break in services to clients and to avoid any layoffs in DHR, Senator Lee recommends attaching a proviso to the funds for JOBS contracted employment services which requires that the funds be transferred to DHR.

Linda Clanton, Division of Employment and Training, Department of Human Resources, presented testimony in opposition to HB 3214 (Attachment 5). A concern that was mentioned is the fact that there could be a layoff of approximately sixteen KanWork staff persons if DHR does not receive KanWork funding after June 30, 1992. In response to a question from Representative Wisdom, Ms. Clanton stated that DHR should be involved in the initial process and coordinate with other services we are currently providing.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 1:30 p.m. on May 4, 1992.

Charles Dodson, KAPE, in opposition to HB 3214, presented testimony to the Committee expressing KAPE's concern regarding the possible layoff of sixteen employees in DHR if this bill is passed. Representative Goossen suggested to Mr. Dodson that HB 3214 does not initiate any layoffs if passed.

Representative Patrick moved adoption of the balloon amendment on HB 3214 as recommended by SRS. Seconded by Representative Chronister. Motion carried.

Representative Patrick moved that HB 3214, as amended, be recommended favorably for passage. Seconded by Representative Vancrum. Motion carried.

SB 791 - Salaries and compensation increases for state officers and employees.

Staff explained to Committee members that SB 791 offers: a salary step increase; a merit base salary increase pool not to exceed 2.5% of the base salaries; compensation increases for the governor, lieutenant governor, secretary of state, state treasurer, commissioner of insurance and attorney general; and longevity pay to state officers and employees. In responses to questions, staff stated that a 2.5% increase will be applied to all positions listed in this bill.

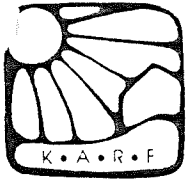
Charles Dodson, KAPE, presented testimony in support of SB 791. Mr. Dodson stated that in the last three years, the Governor recommended a total of a 3% cost of living increases of which the legislature funded only 1 1/2%. Since August 1990, state employees have received no cost of living adjustment. SB 791 offers no pay raise for approximately 15% of state employees that have been at the top of their range for the last three years and KAPE recommends that some cost of living adjustment should be added.

Representative Helgerson moved that SB 791 be recommended favorably for passage. Seconded by Representative Solbach. A substitute motion was made by Representative Dean to amend SB 791 to increase Board and Commission salaries for FY94 to equal the increase for legislators and that SB 791, as amended, be recommended favorably for passage. Substitute motion died for lack of a second. A substitute motion was made by Representative Heinemann to amend SB 791 to be similar to SB 257 and that SB 791, as amended, be recommended favorably for passage. Seconded by Representative Dean. Substitute motion failed. A substitute motion was made by Representative Blumenthal to amend subsection 3 of SB 791 by adding that the ranking minority members of Senate Ways and Means and House Appropriations be compensated an equivalent amount and that SB 791, as amended, be recommended favorably for passage. Seconded by Representative Hochhauser. After a brief discussion, Representative Blumenthal withdrew his substitute motion with permission of the second. Original motion carried.

INTRODUCTION OF BILLS

Chairman Teagarden requested introduction of a bill concerning elevator safety. Representative Helgerson moved introduction of the bill as requested. Seconded by Representative Chronister. Motion carried.

Meeting adjourned at 3:00.



Kansas Association of Rehabilitation Facilities

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TO: HOUSE APPROPRIATIONS COMMITTEE

FROM: KANSAS ASSOCIATION OF REHABILITATION FACILITIES

RE: HB 3214; An act concerning the KanWork act; relating to contracts for certain services.

DATE: May 4, 1992

My name is Yo Bestgen and I am the Executive Director of the Kansas Association of Rehabilitation Facilities. The KARF represents not for profit community service providers. Most of these providers offer vocational services to adults with developmental disabilities.

HB 3214 would expand the ability of the Department of Social and Rehabilitation Services to further implement the KanWork program. SRS would be allowed to develop agreements with community providers for the required evaluations and assessments of the public assistance recipients.

The concept of offering existing vocational services to KanWork recipients was brought to the attention of the Governor and the Secretary of SRS by such a provider in Southeast Kansas, CLASS, LTD. Community rehabilitation facilities have a long and proven history of vocational services, particularly through contracts and grants with the Kansas Rehabilitation Services. These services include vocational assessment, job training, job placement and follow-up services.

I would request your support of HB 3214, which would allow SRS to enter into agreements with community based rehabilitation facilities and others. This bill would allow the use of existing and available training, placement and other specialty resource services in the expansion of the KanWork program.

Thank you for your consideration of HB 3214.

*HA
5-4-92
Attachment 1*

Kansas Department of Social and Rehabilitation Services

Legislative Testimony on House Bill 3214

Donna Whiteman, Secretary

I appear as a proponent for HB 3214 which would clarify the authority of the Secretary of Social and Rehabilitation Services to contract for employment services for KanWork participants with both public and private agencies.

The proposed changes to section (b) KSA 1991 Supp, 39-7.104 will allow the agency greater flexibility in the development of agreements for KanWork participants.

Under the current language of the law there has been considerable discussion and debate about the authority of the Department of Social and Rehabilitation Services to develop agreements with any entity other than the Department of Human Resources. This has resulted in questioning of SRS authority to pursue arrangements with locally administered Private Industry Councils and others for the provision of employment counseling, job training, and other related Employment support services.

While in many instances the Department of Human Resources might be the logical choice for such agreement, they are not exclusively the only one capable of doing so. The sole source nature of these arrangements has been criticized by subordinate Private Industry Councils, Community Services providers, and others.

HA
5-4-92
Attachment 2

It is the Department's position that change in language as proposed would clarify the Department's authority to expand agreements to others as encouraged and specified under competitive contract practices. It would further allow negotiation of mutual support arrangements which facilitate cooperative initiatives and eliminate duplication of efforts on the most cost effective basis.

The general changes in the bill are very positive in a sense of allowing greater flexibility of service provisions. However, there are two provisions of the bill that appear to be limiting. On lines 32 and 33, the addition of the words "in the area served by the service provider" is confusing as to whom would be able to provide services to participants. We would question if this phrase will add anything necessary to the bill and may in fact create ambiguity.

The second area of confusion regards the language extending from lines 35 to 40. The language appears to have been originally designed to insure that Social and Rehabilitation Services did not become involved in duplicative efforts which could be obtained elsewhere. The term initially on line 35 is confusing and out of context to what actually occurs in the job ready determination process. The specific list of services on lines 37 and 38 is incomplete and these services occur throughout various components of the KanWork Employment Preparation effort. The best language would be to have the provision read starting from line 34 "who are determined by the Secretary of Social and Rehabilitation Services to be job ready shall be referred to an appropriate services provider."

The Department of Social and Rehabilitation Services urges your favorable consideration of this bill.

HOUSE BILL No. 3214

By Committee on Appropriations

4-30

8 AN ACT concerning the KanWork act; relating to contracts for certain
9 services; amending K.S.A. 1991 Supp. 39-7,104 and repealing the
10 existing section.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 1991 Supp. 39-7,104 is hereby amended to
14 read as follows: 39-7,104. (a) The secretary of social and rehabilitation
15 services shall provide for the evaluation of public assistance recipients
16 to determine whether such persons are required to participate in
17 the KanWork program. All public assistance recipients not required
18 to participate in the KanWork program shall be encouraged to par-
19 ticipate in such program. The secretary also shall provide for the
20 evaluation of KanWork participants to assess the appropriate level
21 of services needed by such participants under the KanWork program;
22 shall provide initial employability screening, goal setting, identifi-
23 cation of support service needs and development of timelines for
24 completion of activities; and shall establish and enter into with such
25 participants written contracts of participant self-sufficiency.

26 (b) The secretary of social and rehabilitation services and the
27 secretary of human resources shall enter into an agreement
28 which provides that agreements which may be entered into with
29 the secretary of human resources, community service providers, com-
30 munity action agencies, private industry councils, non-profit organ-
31 izations or other service providers and which provide that all
32 recipients of aid to families with dependent children ~~[in the area~~
33 ~~served by the service provider]~~ who are required to register under
34 the KanWork program and who are determined by the secretary of
35 social and rehabilitation services to be job-ready shall ~~[initially]~~ be
36 referred to the secretary of human resources service provider, ~~for~~
37 ~~the following services; Determination and provision of employment~~
38 ~~occupational assessment, goal setting and training services and such~~
39 ~~other services as the secretary may deem appropriate within the~~
40 ~~provisions of this act.]~~

41 (c) KanWork participants may bring grievances and appeal de-
42 cisions of the secretary under the KanWork program in accordance
43 with grievance and appeal procedures established by the secretary

AN APPROPRIATE

- 1 by rules and regulations.
- 2 Sec. 2. K.S.A. 1991 Supp. 39-7,104 is hereby repealed.
- 3 Sec. 3. This act shall take effect and be in force from and after
- 4 its publication in the statute book.

Mr. Chairman and Members of the Committee, I serve as Chairperson of the Kansas Council on Employment and Training which oversees the Job Training Partnership Act program in Kansas and makes recommendations on the coordination of all related employment and training programs.

Our Council places high priority on the KanWork program because it demands an inter-agency cooperative approach to serve a group of Kansans who are greatly in need of employability services to become self-sufficient.

The Kansas Council on Employment and Training has made several recommendations regarding the KanWork program, all of which emphasize a client-centered approach to program design and implementation. We have advised that a more efficient information system be used so that performance standards can be established to monitor and measure the outcome of the program.

Perhaps most importantly, recognizing the seriousness of the ongoing coordination problems we have recommended a neutral review of the KanWork program design to determine the most appropriate role for the agencies and organizations whose services can be brought to bear for the good of the KanWork clients. An interim Legislative study on KanWork could serve as an important part of that review. Enactment of H.B. 3214, which would dramatically modify the original intent of the Legislature, would be premature before that review has been conducted and resulting recommendations have been made.

To assure that there will not be a break in services to clients and to avert a layoff in the Department of Human Resources, I support attaching a proviso to the funds for "JOBS contracted employment services" which requires that these funds be transferred to the Department of Human Resources.

As the state primary administrator of human resource programs, the Department of Human Resources is the logical agency to both provide the necessary employability services to KanWork clients and to contract for related services available through other entities such as local JTPA programs and community-based organizations. The Department of Human Resources oversees all JTPA programs in Kansas and the Department of Human Resources' job service centers are currently being re-oriented to service the focal point in their areas for information regarding all employment related programs.

Mr. Chairman and Members of the Committee, I hope that you will not recommend H.B. 3214 for passage at this time.

Mr. Chairman and Members of the Committee,

The Kansas Department of Human Resources cannot support H.B. 3214. As the state agency whose Division of Employment and Training's sole function is to provide services related to the employment needs of Kansas, DHR should have a central role in the implementation of the KanWork program.

The Legislature recognized the importance of this inter-agency coordination in the original KanWork statute, but H.B. 3214 negates that recognition. The Kansas Department of Human Resources is the state agency with the most experience and expertise in providing workforce preparation programs, and surely the Legislature does not intend the DHR role to be one on a list of potential service providers. I might note here that in a number of states, including nearby Iowa, the states' welfare agencies simply pass through federal jobs dollars and state welfare reform funding to the states' human resource agencies to administer the JOBS program.

We strongly agree with the intent of H.B. 3214, that being that other agencies and organizations should be involved in providing services to KanWork clients, but we believe that the KanWork inter-agency coordination process can be improved by taking an approach which is different than that which is proposed in H.B. 3214.

We are concerned about the likelihood of a gap in services to KanWork clients which will occur between the end of this contract period (June 30, 1992) and such time as SRS is able to finalize contracts to be awarded under a Request for Proposal (RFP) process proposed in H.B. 3214. Potentially 580 clients in Sedgwick, 300 clients in Shawnee and 135 clients in Barton and Finney could be effected. The process necessary for RFP development, public notification of available funds, proposal development and submittal, review and evaluation of proposals submitted, funding decisions and the resulting contract negotiations prior to project implementation is very time-consuming, and would appear to be impossible to accomplish in the short period of time prior to the beginning of the next program year.

If DHR has no assurance of receiving KanWork funds after June 30, 1992, it will be necessary for us to initiate layoff procedures next week for our sixteen KanWork staff persons providing employability services to KanWork clients in Shawnee, Sedgwick, Barton and Finney Counties. The civil service repercussions of laying off sixteen employees could affect 40-50 other DHR employees, as laid-off DHR KanWork employees exercise their "bumping" rights.

We strongly believe that KanWork should be a client-oriented program, with many agencies working together to help these welfare clients to help themselves so they can become productive, tax-PAYING members of the Kansas workforce. We also strongly believe that there is room for improvement in KanWork inter-agency coordination and communication. To date there is still no signed KanWork agreement

between DHR and SRS for the program year which will end on June 30. DHR has been forced to borrow funds from other sources to cover KanWork costs pending successful contract negotiation. SRS has never indicated there is a problem with the services which DHR is providing, so this has been a very frustrating experience.

There is \$1,277,860 identified in the SRS budget for the "JOBS contracted employment services" which DHR has provided to date according to statutory requirement. We propose that you attach a proviso to that line item in the SRS budget directing those funds to be transferred to DHR to continue providing KanWork employability services and to request proposals from organizations. A well-coordinated array of services for KanWork clients should include agencies in addition to SRS and DHR, and since DHR has a long tradition of working toward closer integration of programs which prepare the Kansas workforce, DHR is the logical agency to both provide necessary employability services to KanWork clients and to coordinate the related services available through other entities such as local JTPA programs and community-based organizations.

There are complicated federal guidelines which allow JOBS to reimburse JTPA programs for JOBS services only when such JTPA services are above and beyond previous "maintenance of effort" levels. It is DHR's responsibility as the State administrative agency for JTPA to provide guidance on the definition and calculation of such maintenance of effort levels, so we must be involved in such contract negotiations. Since DHR oversees all JTPA programs in Kansas and DHR's Job Service Centers are currently being re-oriented to serve as the focal point in their areas for information and referral to ALL employment-related programs, we are in an ideal position to coordinate this process. DHR also subcontracts with a variety of community-based organizations, such as the Topeka YWCA, where state JTPA funds are used to support an award-winning program which prepares women for non-traditional high-paying jobs.

Despite continuing difficulties, we believe that the KanWork program is extremely important and we would welcome an interim study by the Legislature to analyze the program and determine what measures can be taken to improve services to KanWork clients.

DHR/SRS Services

	<u>WIN</u>	<u>KanWork</u>
Intake	DHR	SRS
Initial Employability Plan	DHR & SRS jointly	SRS
Determination of Employment & Training Needs	DHR	SRS
Community Work Experience	DHR	SRS
Classroom Training	DHR	SRS
OJT	DHR	DHR
Remediation	DHR	SRS
Job Search	DHR	DHR
Job Development	DHR	DHR/SRS
Placement	DHR	DHR/SRS
Follow-up	DHR	DHR/SRS
Job Club	DHR/SRS	SRS
Job Seeking Skills Workshop	DHR	---
Referrals to Vocational/ Educational Counselors	DHR	DHR/SRS
Vocational/Educational Counseling	DHR	DHR
Testing	DHR	DHR/SRS
GATB	DHR	DHR
Kansas Competency System		
Appraisal		DHR/SRS and others
Diagnostic		DHR & others
Social Services	SRS	SRS
Child Care	SRS	SRS
Transportation	DHR/SRS	SRS
Medical	SRS	SRS

Special Needs

Car Repair	DHR	SRS
Clothing	DHR	SRS
Emergency Petty Cash	DHR	SRS
Dental	DHR/SRS	SRS
Tools	DHR	SRS
Incentive Payments	DHR	---
Referral to JTPA	DHR	SRS

WIN (SRS and DHR)

5-5

Federal Fiscal Years:	<u>FFY 81</u>	<u>FFY 82</u>	<u>FFY 83</u>	<u>FFY 84</u>	<u>FFY 85</u>	<u>FFY 86</u>
Funding/Total	3,035,301	2,171,465	1,920,255	2,149,661	2,107,041	1,658,622
Federal	2,731,773	1,954,318	1,737,180	1,934,694	1,896,337	1,492,760
State	303,528	434,294	193,075	214,967	210,704	165,862
Number of Projects in KS	8	Begin 8 Ends 3	3	3	3	3
Number of Restraints	15,826	15,308	14,046	13,372	12,263	11,524
AFDC WIN Eligibles/Adults	N/A	32,912	36,032	36,567	N/A	33,032
Number of Appraisals Conducted	7,517	6,053	6,552	5,801	5,764	5,342
Clients Entered Employment	2,801	1,601	1,582	2,122	1,850	1,711
Average Hourly Wage	\$4.04	\$4.27	\$4.38	\$4.69	\$4.38	\$4.47
Retention Rate	85.5%	88.8%	88.8%	N/A	98.4%	88.0%
AFDC Grants Closed or Reduced Based on Federal Formula	N/A	N/A	1,682	2,207	1,778	1,610
Annualized Welfare Savings Based on Federal Formula	\$6.1m	\$5.5m	\$3.9m	\$4.3m	\$3.5m	\$3.7m