

Approved: 2/12/97
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:00 a.m. on January 15, 1997 in Room 526-S of the Capitol.

All members were present except: All members were present

Committee staff present: Jerry Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes

Conferees appearing before the committee: Wayne Franklin, KDHR
Roger Aeschliman, KDHR
Reggie Davis, KDHR
Phil Harness, KDHR
Jill Crumpacker, KDHR

Others attending: Guest list was not passed.

Chairman Lane introduced Wayne Franklin, Secretary of the Kansas Department of Human Resources (KDHR).

Secretary Franklin gave a short overview of the department. The department administers programs serving Kansas employers and employees. They fall under the categories of employment security, employment and training, employment standards, safety, and Workers Compensation. There are five major divisions. They are: the Divisions of Employment and Training, Employment Security, Workers Compensation, Staff Services and Legal Services. He continued by going into detail about the programs administered by each division. (see Attachment 1) He finished by introducing Roger Aeschliman, deputy secretary of KDHR and director of Staff Services.

Mr. Aeschliman made a few remarks about his department. Staff Services are funded through the other programs, which are mostly federally funded. They have recently began to consolidate their computer operations with DISC. This will be a six month to one year process. For the committee's information, they are considering a request to set up a bank account using the penalties and interest paid by employers on late payments of unemployment taxes, probably about \$400,000, to implement the consolidation. They have started investigating the mail room operation and printing shop to see if it would be feasible to consolidate with other state facilities to save money and be more efficient.

Another branch of Staff Services is the Employment Security Systems Institute (ESSI), a group of computer programmers who are a quasi public, private and federal government organization that write computer programs for other state agencies, as well as KDHR, and 45 other states. Also included in Staff Services is the Labor Market Information Services (LMIS). He introduced Bill Layes, who is Chief of LMIS, and one of the most knowledgeable persons in the state about any type of labor data, and also one of the lead people on the unemployment moratorium issue. Other services include: fiscal management, internal security, communications, personnel/EEO, and building and office services. He finished his presentation by introducing Reggie Davis, Director of Employment Security, KDHR.

Mr. Davis gave an overview of his department. The two largest divisions in his department are unemployment insurance and contributions. They administer the unemployment insurance program that provides temporary unemployment checks to qualified unemployed workers. The maximum weekly check in Kansas is \$270 and the minimum is \$67. They are now working on a policy change, Kansas Initial Claims, which would allow the use of a computer or telephone to apply for unemployment benefits. This would be more cost effective. Although there would no longer be face-to-face contact, the same questions would be asked. They are working with a \$386,000 grant from the Department of Labor to begin this project. Also falling under this department is the Public Relations Board and Labor Relations office. (see Attachment 1, Division of Employment Security) He concluded his testimony by answering questions.

Phil Harness, Director of Workers Compensation, KDHR, gave a brief overview of his department. They settle disputes between employees, employers, and insurance companies on those claims of work place injury to determine the appropriateness of payment of medical bills and indemnity payments for physical, functional impairment and/or work disability. Any employer who has \$20,000 or more annual payroll must pay Worker Compensation insurance or be self insured. They also administer the Industrial Safety and Health program, the Accident Prevention program, and the Boiler Inspection program. Mr. Harness will return on Friday to go

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S
Statehouse, at 9:00 a.m. on January 15, 1997.

into more detail on the department. (see Attachment 1, Division of Workers Compensation) He answered several questions from the committee. He finished by introducing Jill Crumpacker, Director, Division of Employment and Training, KDHR.

Ms. Crumpacker briefed the committee on programs administered by her division. (see Attachment 2) Most of these programs are funded by the Federal government. Federal funding has been decreasing the past few years and in her handout she detailed the effects of these reductions. They expect continued federal reductions in their programs. She introduced Armand Corpolongo, Budget and Administration Services Manager of the division, who has been with the department for a number of years and can answer questions about the history of the department.

Chairman Lane asked her to return to give a presentation on the One-Stop program. One-Stop brings together all the employment, training, and related services needed by a job seeker or employer either physically or through an electronic link-up in one place.

The next meeting is scheduled for January 16, 1997.

Testimony to House Business and Labor Committee

*Wayne Franklin
Secretary KDHR*

Acknowledgments

Some of you in this room know as much about the programs of the Kansas Department of Human Resources as do I. A few of you are learning about us for the first time today.

If you are not familiar with our programs, you are not alone, though we have been working hard to inform our customers of our services. We still receive inquiries from other states wanting employment history and references for people who have worked for Health and Environment or the Department of Transportation. The callers have assumed Human Resources is the state's Personnel Department.

We sometimes fail to receive credit for a job well done. A few years ago, the business section of one of the state's larger publications published a page and a half of various types of employment data compiled by our Labor Market Information Services unit and credited the University of Kansas.

Essentially, the Kansas Department of Human Resources administers programs serving Kansas employers and employees. These programs fall under the categories of employment security, employment and training, employment standards, safety and workers compensation.

*House Business, Commerce & Labor
1/15/97
Attachment 1*

Page 2

I will provide a brief overview of the Department's programs, organization, mission and goals. Later my division directors will talk about specific issues concerning their programs and we have allowed some time at the end of our presentations for questions and answers.

I brought an item with me today which should assist your understanding of the Kansas Department of Human Resources. It's an organizer for you to use as you receive information from us. If, for instance, you want information on a workers compensation issue, you can turn to that section, find the name of the director and his telephone number. Behind that sheet is a pocket. Perhaps he already sent the information you seek and you or your secretary have it in that pocket where you can access it quickly. You see, we are trying to be proactive in meeting our customer's needs. But more on that later.

We have five major divisions in KDHR. They are: The Divisions of Employment and Training, Employment Security, Workers Compensation, Staff Services and Legal Services.

Under legal services, you will find employment standards. Employment standards is a state general revenue-funded program charged with collecting illegally-withheld wages earned by Kansas workers. That unit recently celebrated collecting over a **million dollars** in illegally withheld wages. That unit also enforces Kansas labor laws, including those for child labor and the Kansas minimum wage law. This division is headed by A.J. Kotich.

Page 3

My office has oversight for the Kansas Commission on Disability Concerns and the Kansas Advisory Committee on Hispanic Affairs. Both programs are general revenue funded. Martha Gabehart is executive director of the Commission on Disability Concerns. KACHA serves the Hispanic Community and Tina DeLaRosa is the Executive Director of this program.

The Division of Staff Services generally oversees services used by KDHR's programs. I will call your attention to the two programs with their own source of funding: Labor Market Information Services and the Employment Security Systems Institute. Roger Aeschliman who heads Staff Services, also serves as my Deputy Secretary.

Labor Market Information Services receives its funding from the Bureau of Labor Statistics, U.S. Department of Labor, to conduct specific labor surveys. This particular unit was commissioned by the 1994 Kansas Legislature to produce economic reports for Kansas. These included the Kansas Occupational Outlook 2005 and the Kansas Wage Survey. If you'd like copies, just let me know.

The Employment Security Systems Institute, or ESSI, designs and markets computer programs systems for capturing data about job-seekers and job orders. The many state employment and training programs across the country use these programs and systems pay for them. The Institute also offers a variety of other programs and services nationally marketed..

The Division of Employment Security administers the Unemployment Insurance programs in Kansas and is headed by Reggie David.. Employment Security programs are 100 percent federally funded and its primary purpose is to provide temporary, weekly unemployment checks to qualified unemployed workers. The Department of Human Resources anticipates \$156 million in benefits will be provided to out-of-work Kansans over the 1998 budget year. This money comes from the federal Unemployment Insurance Trust Fund and that trust fund is financed by taxes from employers. Another function of the Division of Employment Security is to collect the state unemployment taxes from Kansas employers. In recent years, with the improvement of the state's economy, the Kansas balance in the federal trust fund was several hundred million dollars higher than was needed to provide benefits during an economic downturn. For that reason, Kansas lawmakers called for a moratorium, to provide some tax relief to employers until the balance is at an acceptable level.

Page 5

The Division of Employment Security is also responsible for investigating Unemployment Insurance fraud and for a quality control program which examines the efficiency and accuracy of the payment of benefits. Falling under the umbrella of this division is the Public Employee Relations Board and Labor Relations office.

The Division of Employment and Training is headed by Jill Crumpacker. This division oversees federal programs including Wagner-Peyser; One-Stop; Job Training Partnership Act; Dislocated Worker Services; Veterans Employment Services; Older Worker Employment Programs and the Apprenticeship program. It also provides staff support to the Kansas Workforce Investment Partnership. This is the Division which will be providing employment and training services to laid-off workers from the state hospitals soon to be closed. The employment and training division director will provide more detailed information on current activities a little later.

The Division of Workers Compensation provides a court and services dedicated to workers' compensation insurance and claims. This division also administers the industrial safety and health program, the accident prevention program and the boiler inspection program.

Ninety-three percent of the funding of workers compensation is from fee funds. Four percent of the division's funds come from the federal government and three percent from the state's general fund.

page 6

The total Kansas Department of Human Resources budget request for 1998 is \$208.7 million. A figure I mentioned earlier, \$156 million for unemployment insurance benefits, is the largest portion of our budget request. The Department anticipates \$42.3 million of the request will come from federal sources to administer our programs. Fee funds will account for \$7.7 million of the budget and state general revenue funds will account for \$1.6 million.

Our heavy dependence of federal funding has not insulated us from the belt tightening going on in sister agencies which depend on state funds. When Governor Graves asked state agencies to reduce their budgets about two years ago, the Wagner Peysner and the Job Training Partnership Act programs faced serious shortfalls in federal funding. Our loss of income more than met Governor Graves' percentage reduction and we were forced to close several of our field offices for those programs. Nor does the management team at the Department of Human Resources expect the short falls to end. As pressure mounts to balance the budget in Washington D.C., we fully expect to see our budgets to continue to shrink. We are doing our best to prepare for this inevitability.

But Governor Graves has asked much more of us than to simply cut spending. He also wants the agencies to provide better service to the citizens of Kansas. **He wants us to become more efficient and more responsive to the needs of our customers.**

Therefore, the rest of my presentation will not dwell on numbers, budget short falls or where we have saved a few dollars here or there. Every single study, analysis, report, audit, etc., will be available to you for the asking.

Instead I will give you our vision. I am going to tell you how we are going to do more with less.

Technology has a major role in our strategy for making our services more accessible, flexible and faster. With technology, Kansas citizens with internet access will be able to access many services from their homes. Those without internet access will be provided additional options, such as accessing services by telephone. In addition, we are incrementally adding internet access to our program services at all of our field offices and to our JobNet sites at 40 libraries across Kansas. With internet, right now, you can advertise openings or scan job listings all over the state and the United States. Our career centers can and have helped professionals successfully compete for professional and managerial positions in other states.

page 8

Wichita faced a labor shortage of skilled aircraft workers this year. Imagine, if you will, a Wichita company trying to hire an aerospace engineer with five years experience. The employer could advertise in the newspaper, but during a labor shortage that may not be productive unless the employer wishes to pay above-market wages. Ads can be placed in trade journals or professional magazines, but many of those are quarterlies and the employer needs someone now. Or the employer can ask Job Service to list this job in America's Job Bank, the national job listing service sponsored by the U.S. Department of Labor. The job is advertised nationally the next day to thousands, or maybe hundreds of thousands of job seekers.

Unemployment Insurance also is speeding into the age of information. The principle goal here is for increased efficiency – using fewer people to perform more tasks, faster and more accurately. You will be hearing more about this from the Director of the Division of Employment Security.

Technology is our best bet for offering Kansans more and better service for their tax dollar and we are pursuing improved technology as fast as we are able. However, better value is only part of improved customer service.

page 9

When I first accepted this job I felt a little like the waiter who saw two angry-looking customers seated off in the corner of the restaurant. Fearing the worse, he approached them tentatively and inquired: “Was ANYthing all right?”

In short, I understood that our customers were angry. That was expressed by the election. Those of us charged with leading government agencies understood very well that we must offer the best value to our customers for if we did not, someone else – another agency or even a private company – would take our place.

We started with a mission. It reads, **“KDHR will provide quality employment services in an efficient manner which exceeds customer expectations.”**

We have framed it and have hung it in every office. It appears on the cover of our newsletter. It is part of our employee orientation and our managers are reminded of it at every managers’ meeting.

We have embraced Quality – Quality as in Kansas Quality Management. The management team cannot completely transform an agency as large as the Kansas Department of Human Resources in the brief time afforded us. We anticipated the many eager, flexible, bright and ambitious employees were just waiting for the chance to make things better. We have not been disappointed.

One of our first natural work teams turned in its recommendations just over a month ago. These recommendations will save the agency hundreds of work hours and cost no additional money. A quality action team studying employee recognition programs sent out hundreds of surveys and researched programs in both private industry and other government agencies to come up with a viable plan to reward employees who perform well. That team is now working on an implementation plan.

We now have 10 teams working on problems and solutions that should make the agency more efficient and improve our services for less money. Three new teams were created this month.

Nor are we stopping there. This spring we will be offering team training at least once a month. Unit managers have been encouraged to establish natural work teams.

We also are working on customer service. When I first came on board, we published a Telephone courtesy booklet for all of our staff and we made it available to other agencies. We now offer employees a three-hour class in telephone skills and we offer a three-hour class in Quality Customer Service.

page 11

In return, we intend to make sure the staff who work hard are rewarded and those who coast, are not. We want employee performance reviews to better reflect their work. To ensure this, managers and supervisors take a half-day training. We want employees better informed about the agency and more knowledgeable about its mission, structure and procedures. We offer a new employee orientation class.

Recently, the Manhattan Mercury carried a feature editorial about an angry businesswoman who received an incorrect notice to pay her Unemployment Insurance taxes. The more she thought about it, she told the columnist, the angrier she became. She charged down to her local office, fully prepared to face the enemy and rip them to shreds.

Imagine her surprise when she found no enemy. She found, instead, pleasant people who immediately checked her file and confirmed that she did NOT owe taxes and apologized for the inconvenience.

The columnist said the businesswoman was surprised and impressed. Then she spotted the framed copy of the agency vision statement: **“KDHR will provide quality employment services in an efficient manner which exceeds customer expectations.”** The columnist reported that KDHR takes its vision very seriously.

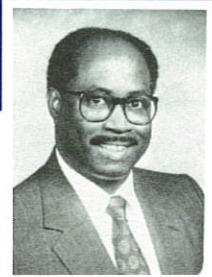
He is right.

KANSAS DEPARTMENT OF HUMAN RESOURCES



Bill Graves, Governor
Wayne L. Franklin, Secretary

KANSAS DEPARTMENT OF HUMAN RESOURCES



OFFICE OF THE SECRETARY

Secretary Wayne L. Franklin
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-7474
Fax: 913-368-6294

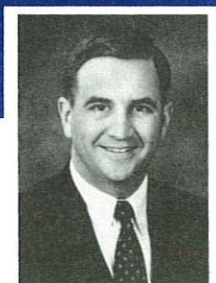
Greetings from the Kansas Department of Human Resources! I am Wayne Franklin, Secretary of KDHR. This agency has approximately 850 employees who administer many employment-related programs that serve the state's workforce, Kansas employers, and job-seekers. It is my job to oversee these various programs so Kansans, our most valued customers, get the best possible service we can deliver.

Because you are a Kansan, you are a customer as well. This handbook is aimed at providing you with the information necessary from KDHR for you to serve *your* customers, your constituents, to the best of your ability. The following pages contain information about our four divisions and other entities for which we carry out legislative mandates. You will find information about the people who serve on my executive staff and the programs they administer as well as others who play important roles within this agency. In addition, you will find their office locations, mailing addresses, phone, and fax numbers.

During the legislative session you will receive pertinent information concerning a division or program within a particular division. When you receive this information on letterhead from the Office of the Secretary, I ask that you put that information sheet in the white folder pocket behind the division to which the information pertains. It is my hope you will find this useful in your discussions about KDHR and when making decisions.

We are a cabinet-level agency with four divisions. They are **Staff Services, Employment Security, Employment and Training, and Workers Compensation**. We also have legislative oversight of the Kansas Commission on Disability Concerns (KCDC) and the Kansas Advisory Committee on Hispanic Affairs (KACHA). With the exception of Workers Compensation which is fee-funded and KCDC and KACHA which are state-funded, this agency is about 99% federally-funded. If you or your staff ever have any questions about the programs we administer, please call me or the division director to which your question, concern, or comment pertains. We would be glad to serve you.

KANSAS DEPARTMENT OF HUMAN RESOURCES



DIVISION OF STAFF SERVICES

Deputy Secretary/Director Roger T. Aeschliman
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-5075
Fax: 913-368-6294

Roger T. Aeschliman is the deputy secretary of KDHR as well as director of Staff Services. His role is to oversee the agency in the absence of Secretary Wayne Franklin and to administer the programs under Staff Services.

Staff Services includes the following units: Labor Market Information Services (LMIS), Information Services (IS), Employment Security Systems Institute (ESSI), Fiscal Management, Internal Security, Communications, Personnel/EEO, and Building and Office Services.

Labor Market Information Services collects, analyzes, and publishes labor market data used to produce key economic indicators, including the monthly unemployment rate for Kansas as a whole and each of the 105 counties. Information of interest to industry, labor, educators, and government agencies is included in the data. LMIS is funded through the Bureau of Labor Statistics, an arm of the U.S. Department of Labor. Two of the most recent publications LMIS has produced are the *Kansas Wage Survey* and the *Occupational Outlook 2005*. These can be obtained, free of charge, by calling (913) 296-5058.

The **Employment Security Systems Institute**, with headquarters in Topeka, designs & markets computer systems and related products for use in employment and training offices across the country for capturing data about job-seekers and job orders. The operational systems provide job matching and reporting capabilities. Other systems offered by ESSI include a state accounting system, an Equal Opportunity compliance system, and a number of miscellaneous auxiliary reporting systems.

KANSAS DEPARTMENT OF HUMAN RESOURCES



COMMUNICATIONS

Director Angela Goering
512 W. 6th Street
Topeka, Kansas 66603
Office: 913-296-7106
Fax: 913-266-8177

Mailing address:
401 SW Topeka Boulevard
Topeka, KS 66603-3182

Angela Goering is the director of Communications for KDHR. She oversees a unit that administers media and public relations for the Secretary and the rest of the agency, staff development and training, conference and meeting planning, publications writing, and various other services.



OFFICE OF THE SECRETARY

Administrative Officer Laura Matheny
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-7474
Fax: 913-368-6294

Laura Matheny is an administrative officer and reports directly to Secretary Wayne Franklin. She handles all of the Secretary's appointments and scheduling as well as various clerical duties.

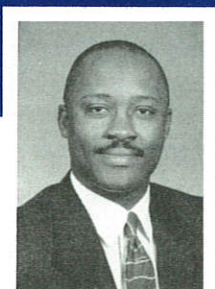


OFFICE OF THE SECRETARY

Executive Secretary Melanie Reed
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-5075
Fax: 913-368-6294

Melanie Reed is an executive secretary to Deputy Secretary Roger Aeschliman. She handles all of the deputy secretary's appointments and scheduling as well as various clerical duties.

KANSAS DEPARTMENT OF HUMAN RESOURCES



DIVISION OF EMPLOYMENT SECURITY

Director Reginald O. Davis
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-0821
Fax: 913-296-0179

Reggie Davis is the director of the Employment Security Division. Created in 1935, this division is 100% federally-funded through unemployment taxes. The Employment Security (ES) Division administers the **unemployment insurance (UI)** program that provides temporary weekly unemployment checks to qualified unemployed workers. The weekly benefit amount is based on prior wages and is subject to maximum and minimum levels as determined annually by the Secretary of KDHR. After the worker files a claim, a monetary determination, including the weekly benefit amount, is mailed to the unemployed worker. The worker must serve a non-payable waiting period of one week. The Contributions unit of ES is responsible for the collection of state unemployment taxes from employers. All employers doing business in Kansas are subject to the provisions of Employment Security law. However, not all employers are subject to the taxing provisions of the law. Coverage is determined by the type and nature of the business, the number of staff employed, and the amount of wages or salaries paid. The UI Appeals unit consists of Kansas attorneys who reevaluate decisions that have been rendered by the initial employment security administrative process.

As previously mentioned, Kansas employers pay unemployment tax through their payrolls. The 1996 Kansas Legislature extended for a third year, until December 31, 1997, the **moratorium (HB2650)** on collecting unemployment insurance taxes from Kansas employers. The 1995 Legislature had passed a bill calling for the moratorium for calendar years 1995 and 1996. The moratorium is the result of the Unemployment Insurance Trust Fund (the fund out of which unemployment benefits are paid) maintaining a balance of several hundred million dollars. Because of the large balance, Kansas lawmakers called for the moratorium to provide some tax relief to employers. That tax relief has been significant. The total estimated tax savings for the two-year period of 1995-1996 was \$162.6 million and the estimated savings for 1997 is \$62.7 million. According to a survey conducted by KDHR, some employers have used the savings to hire more workers, raise wages, spend more on equipment, and even open additional business locations.

Also falling under the umbrella of Employment Security is the Public Employee Relations Board (PERB) and Labor Relations office, which enforces the Public Employer-Employee Relations Act at K.S.A. 75-4321 *et seq.* and the Professional Negotiations Act at K.S.A. 72-5413 *et seq.* Public employees, their organized employee representatives, and public employers may request assistance from the PERB or the Secretary's designee in resolving problems relating to their organizational or negotiation processes. Assistance is provided through investigations, mediations, and quasi-judicial hearings for impasse resolutions, unit determinations, and unfair labor practices.

KANSAS DEPARTMENT OF HUMAN RESOURCES



DIVISION OF EMPLOYMENT AND TRAINING

Director Jill M. Crumpacker
1321 SW Topeka Blvd.
Topeka, Kansas 66612
Office: 913-296-0607
Fax: 913-296-5112

Mailing address:
401 SW Topeka Boulevard
Topeka, Kansas 66603-3182

Jill M. Crumpacker is the director of the Division of Employment and Training. This division has nearly 300 KDHR employees located in 23 offices across five service delivery areas throughout the state, serving employers and job-seekers. The division oversees federal programs including: Wagner-Peyser; *One-Stop*; Job Training Partnership Act; Dislocated Worker Services; Veterans Employment Services; Older Worker Employment programs, and the Apprenticeship program which administers the rules and regulations for approval and registration of apprenticeship programs and apprentices. The division also provides staff support to the *Kansas Workforce Investment Partnership* (KWIP).

Wagner-Peyser (Job Service) programming has existed within KDHR since 1937 and currently funds 23 Job Service career centers throughout the state. Customer service satisfaction is the ultimate goal of this program. Core services for employers include recruitment of job applicants; on-line access to Kansas job listings; Internet access to America's Job Bank; labor market information; and educational/training programs. Core services for job-seekers include skills assessment; job matching; on-line access to job listings; resume development; self-directed job and training searches; education and training referrals; and specialized job search workshops. Through the state's *One-Stop* initiative, opportunities exist to permit these services to be expanded and integrated with other state economic development, social, and education services.

Job Training Partnership Act (JTPA) programs focus on preparing Kansas youth and unskilled adults, who are economically disadvantaged or have serious barriers to employment, to enter the labor force. Approximately 40% of customers served are "welfare" (AFDC) recipients.

JTPA Dislocated Worker Services target workers who have or will experience job loss due to company downsizing or closure. Employers are required to notify KDHR 60 days prior to a plant closing or mass layoff. "Rapid Response" teams inform affected employees about the services KDHR and the community can provide so they can re-enter the workforce. Through this program, special career centers in Topeka and Winfield exist to serve employees affected by the state hospital closures.

Veterans Employment Services include programs and personnel dedicated to providing counseling, testing, and job placement services to veterans. A special program offers outreach to disabled veterans. **Older Worker Employment Programs** offer job training and placement through Senior Community Services Employment programs and Older Kansas Employment Programs.

KANSAS DEPARTMENT OF HUMAN RESOURCES



DIVISION OF WORKERS COMPENSATION

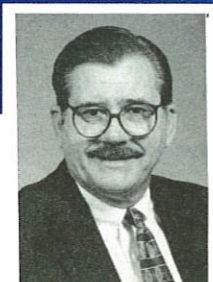
Director Phil Harness
800 SW Jackson Street, Suite 600
Topeka, Kansas 66612-1227
Office: 913-296-4000
Fax: 913-296-0025

Phil Harness is the director of the Workers Compensation Division. This division provides a court and services dedicated to Workers' Compensation insurance and claims. The division also administers the Industrial Safety and Health program, the Accident Prevention program, and the Boiler Inspection program. Ninety-three percent of the funding of Workers' Compensation is from fee funds. Four percent of the division's funds come from the federal government and three percent comes from the state's general revenue fund.

Workers Compensation is an insurance plan provided by the Kansas employer to pay employee benefits for job-related disability or death. Virtually all Kansas employers are required by law to pay workers compensation claims at no expense to the employee. Employers can meet this requirement by one of three ways: through Workers Compensation insurance obtained through a licensed insurance carrier; self-insurance where an employer must demonstrate to the state the financial ability to pay any claims that may be filed; and through a group-funded pool which is a group of employers that meet certain statutory requirements who may form a self-insurance program to jointly insure their ability to pay claims.

Disputes sometimes arise over benefit awards or disability ratings. The Workers Compensation Division provides a process for resolving those disputes. The **Claims Advisory/Ombudsman** section of the division assists the employee in the process. If the dispute is not resolved at this level, the parties may follow other avenues of **dispute resolution**. They are as follows: a mediation conference presided over by a mediator; a pre-hearing settlement conference which is presided over by an administrative law judge (ALJ); a preliminary hearing or final hearing, presided over by an ALJ in which evidence and testimony are taken from both parties. Any appeal is taken to the Workers Compensation Board.

KANSAS DEPARTMENT OF HUMAN RESOURCES



LEGAL SERVICES

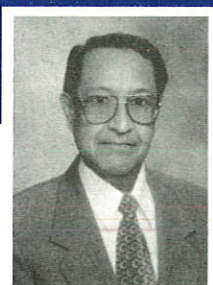
Chief Counsel A.J. Kotich
427 SW Topeka Blvd.
Topeka, Kansas 66603
Office: 913-296-4902
Fax: 913-266-0196

Mailing address:
401 SW Topeka Boulevard
Topeka, KS 66603-3182

A.J. Kotich is the chief legal counsel for KDHR. He supervises the Legal unit which provides various civil litigation services. Those services include the representation of KDHR to administrative agencies, all state courts, federal district courts, federal courts of appeal, and the United States Supreme Court. The unit advises and represents the Secretary of KDHR and the agency before administrative agencies and courts in civil rights claims and wrongful discharge claims. The unit defends claims made against the State of Kansas and KDHR and provides a legal defense for causes of action in tort including but not limited to personal liability, premises liability, personal injury, and wrongful death.

The Legal unit also provides administrative litigation services including representation of KDHR in actions before the State Civil Service Board, reviews and refers unemployment insurance fraud cases for criminal prosecution, and conducts administrative hearings relating to contributions and wage claims. Unit staff prepare and review contracts and leases on behalf of KDHR and write legal opinions to the Secretary and division directors.

Legislative duties for Kotich and his unit include drafting and reviewing proposed legislation at the request and direction of the Secretary. They also appear on behalf of KDHR before legislative committees. They respond to inquiries from the Governor, Kansas Attorney-General, state and federal lawmakers as well as other public officials. The unit also reviews and responds to requests made under the Kansas Open Records Act and the federal Freedom of Information Act.



PERSONNEL

Director Frank Ybarra, Ph.D.
401 SW Topeka Blvd.
Topeka, Kansas 66603-3182
Office: 913-296-5005
Fax: 913-266-0179

Dr. Frank Ybarra is director of Personnel for KDHR. He oversees all personnel-related activities which include the following: hiring and terminations, grievances, payroll, group health and dental benefits, Equal Opportunity and ADA compliance, staff development and training, and maintenance of personnel records.

KANSAS DEPARTMENT OF HUMAN RESOURCES



KANSAS ADVISORY COMMITTEE ON HISPANIC AFFAIRS

Executive Director Tina DeLaRosa
117 SW 10th. Ave.
Topeka, Kansas 66612
Office: 913-296-3465
Fax: 913-296-8118

Tina DeLaRosa is the director of the Kansas Advisory Committee on Hispanic Affairs. Her duties include the oversight of various programs of concern to the Hispanic community. Her unit provides testimony and makes recommendations to congressional and legislative committees. There is a KACHA Board of Directors, appointed by the Governor, that meets on a periodic basis and operates under the Kansas Open Meetings Act.



KANSAS COMMISSION ON DISABILITY CONCERNS

Executive Director Martha Gabehart
1430 SW Topeka Blvd.
Topeka, Kansas 66612
Office: 913-296-1722
Fax: 913-296-0466

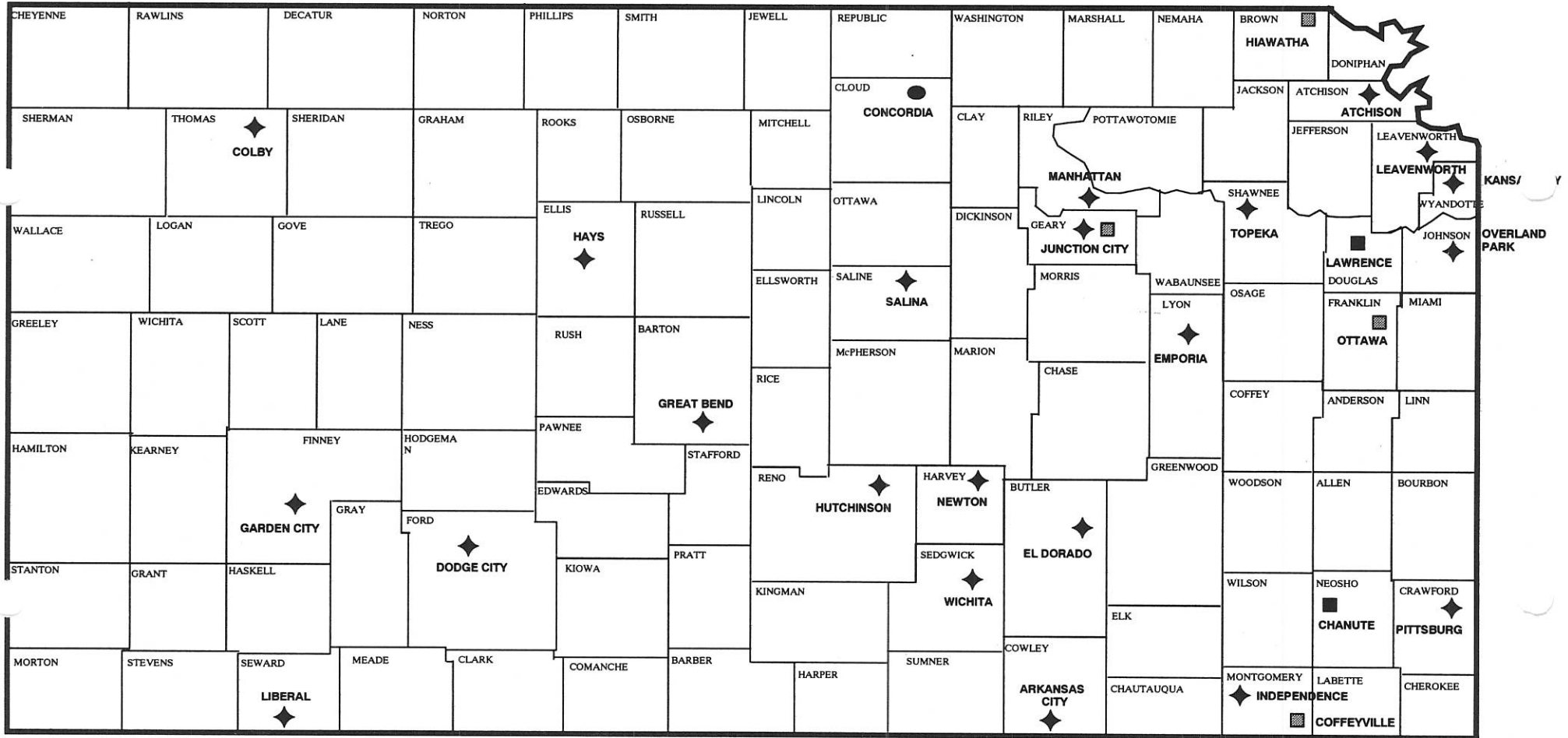
Also:
TTY: (913) 296-5044
BBS: (913) 296-6529

Martha Gabehart is the director of the Kansas Commission on Disability Concerns (KCDC). Her duties include the oversight of various programs and services available to the physically and mentally challenged. Her unit provides testimony and makes recommendations to congressional and legislative committees. There is a KCDC Board of Directors, appointed by the Governor, that meets on a periodic basis and operates under the Kansas Open Meetings Act.

Ann C. Ozegovic, special assistant to the Secretary, oversees the Kansas Advisory Committee on Hispanic Affairs and the Kansas Commission on Disability Concerns. She can be reached at 401 SW Topeka Boulevard, Topeka, KS, 66603, (913) 296-5458.

Kansas Department of Human Resources Field Offices

1-21



LEGEND

- ◆ COLLOCATED OFFICES — Division of Employment and Training & Division of Employment Security
- Unemployment Tax Only
- Job Service Only
- ▣ Itinerant Job Service

STATE OF KANSAS
DEPARTMENT OF HUMAN RESOURCES



Bill Graves, Governor

Wayne L. Franklin, Secretary

DIVISION OF EMPLOYMENT AND TRAINING
401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182
PHONE (913) 296-7874
FAX (913) 296-5112

**Division Overview
for**

BUSINESS, COMMERCE, AND LABOR COMMITTEE

Wednesday, January 15, 1997
9:00 am, Room 526-S

by
Jill M. Crumpacker
Director, Division of Employment and Training

Good morning. Thank you for the opportunity to brief you on programs administered by the Division of Employment and Training. As is the case with other areas of the Department of Human Resources, our division administers and oversees programs that are primarily federally funded.

As you know, federal funding has been decreasing during the past few years and the trend is expected to continue. The handout attached to this testimony provides a brief overview of the impact that federal funding reductions have had on some of the major employment and training programs within our division. The handout compares funding levels for last year (Program Year 1995); the current year (Program Year 1996); and projected funding for this upcoming year (Program Year 1997). I will spend my time this morning highlighting some of these programs for you.

■ **JTPA (Job Training Partnership Act)**

JTPA programs focus on preparing youth and unskilled adults, who are economically disadvantaged or have serious barriers to employment, to enter the labor force. This is done through providing training and other services that result in increased employment and earnings. Approximately 40% of customers served are or have been "welfare" (AFDC) recipients.

*House Business, Commerce & Labor
1/15/97
Attachment 2*

we saw a reduction of \$726,513. We're expecting level funding for this next year; however, in order to compensate for annual cost of living increases, we're going to have to watch every dollar very closely.

■ **Alien Labor Certification**

Through this program, we process applications of foreign workers who are seeking permanent work visas in the U.S.A. Foreign workers are granted permanent visas if employers have jobs for which they cannot locate qualified U.S. workers. In addition, our division conducts special recruitment of U.S. workers for these jobs. We also conduct prevailing wages surveys; determine prevailing wage rates; and gather other related information required by the U.S. Department of Labor.

Although funding increased from Program Year 1995 to 1996, you'll note it has since dropped significantly for Program Year 1997.

■ **WOTC (Work Opportunity Tax Credit)**

This program, which began on October 1, 1996, is a revised version of the previous *Targeted Jobs Tax Credit (TJTC)* program, which enables employers to qualify for a tax credit by hiring within one of seven targeted groups; including: felons, welfare recipients, and other "at-risk" populations. A maximum \$2,100 tax credit may be earned for each eligible person hired.

■ **DVOP/LVER** *(Disabled Veterans Outreach Program/ Local Veterans Employment Representative Program)*

Both programs are funded through the Department of Labor Veterans Administration. The goal is to target employment and training services to veterans. Currently, KDHR has 35.5 FTE positions located in Job Service Workforce Centers throughout the state, as well as at Fort Riley, Leavenworth VA, Wichita VA, and McConnell Air Force Base.

Funding was reduced \$150,000 from Program Year 1995-1996; however, we will recover some of these losses in Program Year 1997. As with other programs, management is challenging given the volatile environment at the congressional level and since the majority of funding is dedicated to staffing.

■ **KOICC (*Kansas Occupational Information Coordinating Committee*)**

Funding for this program permits development of occupational and educational data for use by various agencies in planning and developing training classes and programs. Schools also use this information for student vocational counseling.

KOICC funding dropped from Program Year 1995-1996. Program Year 1997 funding is expected to remain at '96 levels.

■ **SCSEP (*Senior Community Service Employment Program*)**

SCSEP programs provide skill training through subsidized part-time employment to Kansans age 55 and older who are also at, or below 125% US Department of Health and Human Services poverty level. Currently, about 135 older Kansans are placed in a variety of jobs -- in non-profit community service agencies throughout the state.

As some of you may recall, last year this program was transferred from the Kansas Department on Aging to our agency. As with other federally funded programs, SCSEP funding has dropped from 1995-1996. We're expecting 1996 levels for Program Year 1997.

In summary:

Federal funding for the abovementioned programs dropped approximately 22% from \$29.5 million to \$23 million in Program Year 1996. Although Program Year 1997 doesn't look as drastic, we expect only short term relief. Overall, we expect continued federal reductions and a continued push at the federal level to consolidate employment and training programs into a block grant rather than the current categorical funding of programs as presented here today.

■ ■ **EDIF (*Economic Development Initiative Funds for One-Stop Initiative*)**

As some of you may be familiar with, *One-Stop* is both a federal and state initiative geared toward integration of employment and training and related services for

employers and job-seekers. For this fiscal year, we requested, and the Governor recommended in his budget, \$409,940 of EDIF funding for continuation of *One-Stop* initiatives in Kansas. We are planning to continue our work with the Department of Education, SRS, and other state agencies, as well as the Governor's Workforce Investment Council, and, perhaps, most importantly, communities, to further the development of *One-Stop* in Kansas.

Because of our tight funding situation and the fact that we're still bound by federal categorical funding streams, the EDIF funding will assist us in working towards an integrated, non-categorical system that reduces duplication in various programs and allows the customer to get what he or she needs from just one stop, whether electronic or in-person. I will have more to tell you about this initiative as the session progresses.

Thank you. I'd be happy to answer any questions that you may have.

Summary of Funding Comparisons
between
Program Year 1995, 1996 and 1997

PROGRAM	APPROPRIATIONS		
	PY 95	PY 96	PY 97
JTPA:			
IIA (Adult)	5,996,288	3,543,406	3,730,998
IIC (Youth)	748,073	552,078	552,078
IIB (Summer)	5,038,795	3,268,850	4,555,469
III (EDWAA)	6,223,673	5,311,183	6,512,586
State Admn.	337,218	263,755	275,936
Capacity Bldg.	111,282	87,039	91,059
Incentive Grant	225,936	176,716	184,877
Older Workers	299,814	230,091	242,273
Education Grant	<u>539,549</u>	<u>422,007</u>	<u>441,497</u>
JTPA Subtotals	\$19,520,628	\$13,855,125	\$16,586,773
Wagner Peyser	7,239,099	6,512,586	6,512,586
Alien Labor Cert.	187,079	226,404	60,000
Work Opp. Tax Credit	-	106,000	106,000
DVOP/LVER	1,643,000	1,493,000	1,587,000
KOICC	113,359	100,851	100,851
SCSEP	819,424	771,463	771,463
TOTAL	\$29,522,589	\$23,065,429	\$25,724,673



Job Service Centers

ARKANSAS CITY (SDA IV - 7700)

Arlene Bates, Manager
221 W. Chestnut
PO Box 858
Arkansas City, KS 67005-0858
Phone .. (316) 442-3130
Fax (316) 442-6740

ATCHISON (SDA II - 1900)

Al Sigrist, Manager
818 Kansas Avenue
Atchison, KS 66002-2396
Phone .. (913) 367-4814
Fax (913) 367-3980

CHANUTE (SDA V - 8900)

Randal Neely, Manager
119 N. Grant Street
PO Box 778
Chanute, KS 66720-0778
Phone .. (316) 431-4950
Fax (316) 431-2375

COLBY (SDA I - 4701)

C.W. Hamilton II, Manager
485 N. Chick Avenue
PO Box E
Colby, KS 67701-0984
Phone .. (913) 462-6862
Fax (913) 462-8371

DODGE CITY (SDA I - 6301)

John McLoughlin, Manager
2308 1st Avenue
PO Box 1029
Dodge City, KS 67801-1029
Phone .. (316) 227-2149
Fax (316) 227-9667

EL DORADO (SDA IV - 7500)

Janice McLauren, Manager
123 E. 2nd Avenue
PO Box 350
El Dorado, KS 67042-0350
Phone .. (316) 321-2350
Fax (316) 321-7653

EMPORIA (SDA V - 3500)

Stephen Griffin, Manager
512 Market Street
PO Box 707
Emporia, KS 66801-0707
Phone .. (316) 342-3355
Fax (316) 342-2806

GARDEN CITY (SDA I - 6600)

Alan Riedel, Manager
107 E. Spruce Street
PO Box 994
Garden City, KS 67846-0994
Phone .. (316) 276-2339
Fax (316) 276-7306

GREAT BEND (SDA I - 6500)

Terry Young, Manager
2120 11th Street
PO Box 969
Great Bend, KS 67530-0969
Phone .. (316) 793-5445
Fax (316) 793-3188

HAYS (SDA I - 4500)

Nancy Guthrie, Manager
332 E. 8th Street
PO Box 659
Hays, KS 67601-0659
Phone .. (913) 625-5654
Fax (913) 625-0092

HUTCHINSON (SDA I - 6101)

Robert Dalke, Manager
518 N. Washington Street
PO Box 1799
Hutchinson, KS 67504-1799
Phone .. (316) 663-6131
Fax (316) 669-0738

INDEPENDENCE (SDA V - 8700)

Doyal Saye Jr., Manager
200 Arco Place
PO Box F
Independence, KS 67301-1015
Phone .. (316) 332-1660
Fax (316) 332-1668

KANSAS CITY (SDA III - 1101)

John Casner, Manager
552 State Avenue
Kansas City, KS 66101-2464
Phone .. (913) 281-3000
Fax (913) 281-0069
TTY (913) 281-1942

LAWRENCE (SDA II - 1500)

Michael Pritchard, Manager
833 Ohio Street
PO Box 589
Lawrence, KS 66044-0589
Phone .. (913) 843-0531
Fax (913) 843-0096

LEAVENWORTH (SDA III - 1700)

Dennis Sutter, Manager
600 S. 5th Street
PO Box 646
Leavenworth, KS 66048-1098
Phone .. (913) 682-4152
Fax (913) 682-1804

LIBERAL (SDA I - 6400)

Carol McDaniel, Manager
807 S. Kansas Avenue
Liberal, KS 67901-4193
Phone .. (316) 624-1863
Fax (316) 624-3355

MANHATTAN (SDA II - 3701)

Lorene Oppy, Manager
621 Humboldt Street
PO Box 940
Manhattan, KS 66502-0009
Phone .. (913) 776-8884
Fax (913) 776-0568

NEWTON (SDA I - 7300)

Gregory Jaquis, Manager
116 E. 6th Street
PO Box 406
Newton, KS 67114-0406
Phone .. (316) 283-4220
Fax (316) 283-4201

OVERLAND PARK (SDA III - 1400)

Lavera Wood, Manager
8417 Santa Fe Drive
Overland Park, KS 66212-2799
Phone .. (913) 642-8484
Fax (913) 642-7260
TTY (913) 341-1507

PITTSBURG (SDA V - 8101)

Manager - Vacant
104 S. Pine Street
PO Box A
Pittsburg, KS 66762-0605
Phone .. (316) 231-4250
Fax (316) 231-6448

SALINA (SDA I - 4101)

Darrell Carlton, Manager
203 N. 10th Street
PO Box 1817
Salina, KS 67402-1817
Phone .. (913) 827-0385
Fax (913) 827-2307

TOPEKA (SDA II - 3101)

James De Coursey III, Manager
1430 SW Topeka Boulevard
Topeka, KS 66612-1897
Phone .. (913) 296-1715
Fax (913) 296-1984

WICHITA (SDA IV - 7101)

Vicki Romig, Manager
402 E. 2nd Street
PO Box 877
Wichita, KS 67201-0877
Phone .. (316) 266-8600
Fax (316) 266-8656

2-7

Persons with impaired hearing or speech utilizing a telecommunications device
may access the above number(s) by using the Kansas Relay Center at 800-766-3777.