

Approved: January 14, 2000
Date

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 13, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Feleciano (excused)

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:
Karen Johnson, National Conference of State Legislatures
David Shreve, National Conference of State Legislatures
Tracy Schmidt, National Conference of State Legislatures
Richard Beyer, Secretary of Human Resources

Others attending: See attached List

Karen Johnson, Director of Employment and Training Programs, National Conference of State Legislatures (NCSL), testified that in 1997, NCSL completed phase 1 of "*Building Effective Systems Together*" project funded by the Ewing Marion Kauffman Foundation. The result was a report entitled "Serving the Kansas Workforce - - an Inventory of Programs and Policies" intended to assist Kansas in assessing their current workforce development programs. The inventory included what services the programs provide, how they are related, who they serve and how they are funded. With a subsequent grant from the Kauffman Foundation and matching state funds, NCSL is involved in phase 2 of the project to assist the state in reaching successful strategies for comprehensive workforce development reform. This will give legislators an independent source of information to make policy and funding decisions in response to the authority provided in the federal Workforce Investment Act. Ms. Johnson reported that state and federal funds for employment and training programs in Kansas total about \$400 million.

David Shreve, NCSL Committee Director for Education, Labor and Job Training, stated historically job training programs mandated by the federal government lacked accountability, were too compartmentalized, and program eligibility was too restrictive, which led to the present system - a dysfunctional system. In 1998 Congress passed the Workforce Investment Act (WIA) which provides state accountability and oversight of employment and job training programs. WIA provides for a lot of experimentation, asks for initiative and vision. WIA legislation provides for: 1) the appointment of four legislators to the state workforce board; 2) legislative appropriation of federal training funds; and 3) approval of the inclusion of secondary vocational funds if it is the state's intent to make vocational education part of the workforce system.

Mr. Shreve testified job training is no longer a social program, but a client-employer driven program to provide for the demand of a skilled workforce. It is, therefore, necessary to provide adequate and integrated services with a minimum of duplication.

Tracy Schmidt, Research, NCSL, submitted three suggested actions that can be taken to develop a workforce policy in the State. 1) Direct the workforce development system by defining a policy vision, i.e., client driven, outcome focused, adaptable, coordinated, locally controlled; 2) Decide how much of the state structure you want to set in statute, i.e., directives for the state board, board membership (including legislators), local boards and their authority, youth councils, possible local councils for any other specific client group - - rural or hard-to-serve workers, and accountability measures and sanctions. Any or all of the WIA structure can be legislated to signal a long-term commitment to reform; 3) Examine the benefits of consolidating programs on two levels: at the state level by moving programs from the current 5

CONTINUATION SHEET

agencies to 1 agency, and at the local level by mandating a consolidation and coordination of multiple delivery areas.

Mr. Shreve submitted optional actions the state can take in developing a workforce policy: 1) develop a performance management system with benchmarks, outcome measures and sanctions for poor performance; and 2) mandate that the state agency or agencies develop and implement an integrated case management system with common intake forms and databases and shared assessments, possibly even provide a line item for upgrading the computer system to facilitate this new approach and accountability. Mr. Shreve stated workforce policy management is important to a state because it is about money, jobs, economic health and economic vitality.

Mr. Shreve stated the Kansas Workforce Investment Partnership (KWIP) is a step in the right direction for providing a workforce policy, but it does not provide for the final partner in the setting of a vision and goals, such partner being the legislature.

Richard Beyer, Secretary of Human Resources, testified Human Resources is eager to have a strategic partnership with the legislature as the workforce system is streamlined. There is historic momentum in Kansas to reinvent workforce development. The State can leverage its investment if it works faster and better together. Secretary Beyer stated Kansas will comply with WIA as of July 1, 2000. Human Resources needs to collaborate with all of the stakeholders in the workforce development system. The opportunity attached to the workforce development system is estimated to cost one-half billion dollars a year; therefore, for every year the state delays in building a streamlined, coherent, compassionate workforce development system, it is costing a half billion dollars a year. The State can invest its way out of budget constraints by putting people to work through the workforce development system.

Secretary Beyer stated, a technological intake system is being developed which will be a Web virtual job service center enabling job seekers to place their resumes on the Web and enabling employers to place their openings on the Web, thereby providing a method to self-serve their respective needs in the labor exchange process. Call centers are also being established for unemployment filings, intervention for skill training and other job related services. These programs require the active involvement of legislators.

Secretary Beyer, in response to a question from Senator Salisbury as to how the Legislature can become a strategic partner, stated: 1) be represented on the board; 2) communicate to Congress through a Resolution what needs to be done at the federal level to breakdown some of the budget fire walls that exist in the categorical programs; 3) enact a legislative mandate at the state level to articulate a single hearted and single minded vision that this is a top state priority and that all of the stakeholders need to come together as one to implement workforce development as quickly as possible; and 4) address some of the funding issues previously referred to in Mr. Shreve's presentation.

WIA is largely an unfunded federal mandate, regardless of a lot of the bureaucracy being turned over to state and local control. It is challenging to comply with the Act without the capital to serve the citizens in Kansas. It will be necessary, over time, to consider financing strategies to enable the State to implement the program in its entirety. Legislators have the opportunity to support the Kansas workforce development system by approving the partners' budget requests for funding technological infrastructure.

The meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for January 14, 2000.

