

Approved: January 24, 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 21, 2000 in Room 123-S of the Capitol.

All members were present except:

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:

Richard E. Beyer, Secretary, Kansas Department of Human Resources
Philip S. Harness, Director, Workers Compensation Division
Linda Tierce, Employment Security Division

Others attending: See attached list

Richard E. Beyer, Secretary, Kansas Department of Human Resources (KDHR), testified the Department has restructured its organizational chart. (Attachment 1) KDHR is not a personnel department for the state, but the lead agency, together with SRS, Department of Education, Board of Regents, and the Department of Commerce and Housing to cultivate a job ready workforce and a workplace environment to fuel economic growth for Kansas. To achieve this goal, it is necessary to improve the health and safety of workplaces, establish and maintain an efficient labor exchange environment, establish a technology platform and on-going technology delivery capability matched to the agency's continuing operational context and service delivery model and in step with the State's information technology plan, and deliver a superior return on "investment" dollars. Secretary Beyer testified the State will be in compliance with the Workforce Investment Act as of July 1, 2000. (Attachment 2)

Philip S. Harness, Director, Division of Workers Compensation, testified the Division hired a technology consultant and will have its project plan ready for bids in the near future. Mr. Harness advised that as a result of the changes in the law relating to fraud and abuse, the files have multiplied significantly and there have been an increase of referrals to county attorneys. Mr. Harness distributed the Division's 25th Annual Report to the Committee. The Report is comprised of three parts: Administrative Profiles, Accident and Disease Statistics, and Closed Claim Study. (a copy of the Report is on filed in the Legislative Research Department)

Linda Tierce, Employment Security Division, testified the most current rate of employment was for November 1999 and was 3.3%, the lowest rate since 1979. As a result of the low unemployment, the Division has been able to decrease its personnel by 30 positions and cut its budget by \$680,000. Ms. Tierce stated that the Employment Security Trust Fund presently contains \$469 million. The minimum amount to be maintained in the Trust Fund is \$500 million, based on a formula of payouts at the highest rate for a period of 1 year and 11 months. The federal government standard is 18 months. The unemployment tax, which went back into effect January 1, 2000, is up to 1.90 and 6.4 for negative balance employers.

Ms. Tierce testified that three call centers have been established in Wichita, Kansas City and Topeka, and replace the previous seven walk-in centers. Ms. Tierce stated 800 lines have been installed to handle all unemployment information. 17,530 claims were filed during the last 6 week.

Senator Barone raised a concern about the availability of unemployment staff during times of the day when clients are able to avail themselves of the services.

Secretary Beyer introduced the remainder of his administrative staff.

CONTINUATION SHEET

Senator Barone moved, seconded by Senator Gooch, that a Committee bill be introduced relating to licensure of electricians, 9RS 1488. The vote was unanimous in favor of the motion.

Senator Feleciano moved, seconded by Senator Ranson, that the Committee reconsider action previously taken to approve the Minutes of the January 19,2000 meeting and to approve revised minutes with the addition of “6) barriers to entry and use of market forces;” in the request for legislation to address issues raised in the KCC Telecommunications round table discussions. The vote was unanimous in favor of the motion.

The Committee adjourned at 9:00 a.m.

The next meeting is scheduled for January 24, 2000.

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: January 21, 2000

NAME	REPRESENTING
Phil Harness	KDHR - Div. of Work. Emp
Sam Palmer	KDHR
BRAD HAMILTON	KDHR NATIVE AMERICAN AFFAIRS
Tina DeLaposa	KACHA KS. Adv. Com. on Hispanic Affairs
Martha Debehart	Ks. Commission on Disability Concerns KDHR
Jeff Bottensberg	State Farm Ins. Cos.
A. J. Kotich	KDHR
Linda Tierce	K.D.H.R.
Bill Laves	KDHR
Anthony a. Fedale	Admin - AOA coord.
Suzette Smith	Observing - DOA - Legal Section
Paul Johnson	PHACK
Eldine Frisbie	Div. of the Budget.
Terry Leatherman	KCCI
Roger Aeschliman	KDHR
Richard E. Buyer	KDHR
Danielle Hae	Governor's Office
Roger Trautke	KGC
Kari Kitchen	Heartland Works

Kansas Department of Human Resources

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Office of the Secretary
Phone - 296-7474

Secretary of KDHR
Richard Beyer
50-00-00-001 (K0049722)

Deputy Secretary/Director of Staff Services
Roger Aeschliman
04-00-00-001 (K0125992)

Administrative Officer
Laura Matheny
50-00-00-002 (K0056711)

Executive Secretary
Judy Bishop
50-00-00-005 (K0063777)

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A.J. Kotich
50-01-00-001 (K0050611)

Director of Native American Affairs
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Brad Hamilton
47-00-00-001 (K0207727)

Director of Kansas Advisory Commission on African American Affairs
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Vacant
45-00-00-001 (K0204786)

Director of Kansas Commission on Disability Concerns
Phone - 296-1722
Martha Gabehart
31-00-00-001 (K0062332)

Director of Kansas Advisory Committee on Hispanic Affairs
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Tina DeLaRosa
40-00-00-001 (K0050470)

Chief of Labor Market Information Services
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William Laves
50-00-02-001 (K0064467)

Director of Personnel
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Janet Palmer
50-00-01-009 (K0059583)

Director of Marketing and Communications
Phone - 296-0901
vacant
50-00-06-001 (K0043991)

Chief Financial Officer
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Gerald Schneider
52-03-00-001 (K0059223)

Director of Employment and Training
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Heather Whitley
06-00-00-001 (K0125702)

Director of Workers Compensation
Phone - 296-4000
Phil Harness
10-00-00-001 (K0076094)

Chief Information Officer and Director of Employment Security
Phone - 296-5075
William Sanders
50-00-00-019 (K0136864)

Director of Labor Relations & Alternative Dispute Resolution
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George Wolf
04-00-00-004 (K0181891)

Director of Security
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Steve Markley
50-00-00-009 (K0055160)

Director of Building & Office Services
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Linda Hubbard
52-09-00-006 (K0062383)

Director of Information Technology
Phone - 296-5042
Lowell Tawney
50-00-00-010 (K0207472)

Director of America's Workforce Technology Solutions
Phone - 296-5156
Gary Adkins
52-20-00-005 (K0073345)

Senate Commerce Committee
Date: 1-21-00
Attachment # 1

Senate Commerce Committee
Date: 1-21-00
Attachment # 1

by: Richard E. Beyer

Kansas Department of Human Resources

Mission Statement

The Kansas Department of Human Resources cultivates a job ready workforce and a workplace environment to fuel economic growth for Kansas.

The agency functions as a thought leader, a facilitator, a catalyst and a services delivery organization, partnering with public and private organizations to serve the needs of Kansas employees and employers.

Our value to Kansas is reflected by our success in:

- Finding meaningful jobs for the unemployed.
- Finding better jobs for the underemployed, and
- Removing barriers to performance for employees and employers as they seek to achieve their best.

Vision

We envision a Kansas where people of wide ranging talents and vital enterprises prosper in a resource rich, diverse state.

(1)

Senate Commerce Committee

Date: 1-21-00

Attachment # 2-1 thru 2-

Values

- We are committed to providing quality resources and services to Kansans and to making them accessible to all.
- Our success and value as an agency of Kansas government is measured by the sustained quality and responsiveness of Kansas' labor exchange environment.
- The content of our work and the context of our organization is characterized by:
 - Politeness and common courtesy
 - Dignity and respect for each other and for the people we serve
 - Stewardship of the trust placed in us and of the assets the State invests in our mission
 - Integrity and ethics in every dimension of our work
 - A focus on quality as the measure of our results
 - Good public policy
 - Clear, candid communication
 - Collaboration, both internally and externally.

Strategic Objectives – Horizon: November 1, 2002

- 1) KDHR is recognized for its role in improving the health and safety of Kansas workplaces, as measured by:
 - a) Changes in frequency and severity of accidents
 - b) Employer surveys regarding the impact of training and other KDHR initiatives
 - c) Development of relevant measures of workplace health and safety
 - d) Extent and degree of enforcement / promotion of standards

- 2) KDHR functions as a catalyst in establishing and maintaining an efficient labor exchange environment in Kansas, as measured by:
 - a) The achieved long term balance of supply and demand for labor in the state, adjusted for economic conditions
 - b) The degree to which employers and employees make use of the agency's services and Resources
 - c) Measures of performance in workforce development established by the agency
 - d) The extent to which KDHR is consistently recognized as an important value-added element in the workforce and employment arena in Kansas, as measured by:
 - i) Employer Institute evaluations
 - ii) Customer surveys
 - iii) Legislator surveys
 - iv) Human Resources professional community surveys
 - v) Frequency and quality (relevance) of media citations, attributions, editorial commentary, events and awards
 - vi) Opinions of other business partners

- 3) KDHR has in place a technology platform and on-going technology delivery capability matched to the agency's continuing operational context and service delivery model, and in step with the State's information technology plan, as measured by:
 - a) Evaluations by KDHR managers responsible for service delivery and administrative management
 - b) Best practices benchmark comparisons
 - c) Customer feedback – after matching delivery platform to clientele served
 - d) Comparison to the Information Technology Executive Committee's architecture statement

- 4) KDHR delivers a superior return on "investment" dollars to the State of Kansas, as measured by:
 - a) Fully absorbed, activity based costs per unit of service compared to other similar entities
 - b) Rated quality of service / outcomes compared to costs of service delivery
 - c) Indirect overhead costs compared to similar entities
 - d) Return on innovation initiatives

- 5) WIA is an in-place, successful service delivery platform judged to be a key element in the agency's record of success and positive public image.
- 6) KDHR is recognized as an ethically courageous thought leader in:
 - a) Developing and advocating for policies and legislation in the State of Kansas and nationally
 - b) Contributing to the development of national workplace and employment policies and systems
- 7) KDHR is viewed within Kansas Government and in the broader employment context as an intelligent best practices employment model as measured by:
 - a) Employee evaluations
 - b) Comparisons to other Kansas state agencies and to similar private sector enterprises
 - c) Contemporary standards for human resources management practice
 - d) Performance in documented "critical incident" situations
- 8) KDHR has demonstrated core competencies in the successful management of organizational change and transition, and has embraced the constructive pursuit of change as a key success factor for the agency, as measured by:
 - a) Percentage of agency staff trained in a common change management methodology
 - b) Development and implementation of basic change and transition management practices into the on-going management context of the agency
- 9) KDHR has an attained "cultural and diverse needs" awareness that is matched to the needs and demographics of the agency's clientele, as measured by:
 - a) Routine availability of language and culture proficient professional staff across the organization, including contracted service providers
 - b) Accessibility of services for people with identified disabilities
 - c) Performance in documented "critical incident" situations
- 10) KDHR has an established capability for creatively identifying and obtaining traditional and non-traditional funding (capital) from non-budget resources, as measured by:
 - a) Percentage of new initiatives funded from these sources and share of grant dollars obtained
 - b) Cost / benefit performance of the funding initiative
 - c) Number of grants in which the agency is a "partner"

Strategies

- 1) Develop and implement a broadly defined technology management and control process for the agency.
- 2) Deliver technology, as a primary enabler, matched to the identified and anticipated needs of the agency and the constituencies it serves.
- 3) Develop and implement a values based management and employee development system focused on management processes, leadership, people relationships and career paths.
- 4) Capitalize on opportunities to initiate and establish a network of partnerships and alliances aimed at cultivating a work force and an employment work place that fuels Kansas' economic development.
- 5) Implement WIA successfully.
- 6) Identify desirable and necessary changes and enhancements to the agency's human resources environment and systems.
 - a) Internally, develop and implement changes within existing authority.
 - b) Externally, advocate for enabling authority as required.
 - c) Integrate what we offer as an agency with what we use as an agency.
- 7) Establish an on-going business process review and revision initiative aimed at:
 - a) Rationalizing processes for effective customer (external and internal) service.
 - b) Meeting cost effectiveness objectives.
 - c) Effectively delivering and/or brokering services as a means for maintaining the strategic focus of the agency.
- 8) Reinvent the UI administrative system to focus additional resources on claimants. Research the UI contributions process to improve the tax environment for employers – to benefit employees and employers.
- 9) Implement the “matrix communication methodology” for:
 - a) Internal communications.
 - b) External communications.
- 10) Build a health & safety benchmarking system and develop benchmarks on an on-going basis measuring factors:
 - a) In Kansas.
 - b) Vs. other states.

- 11) Evaluate KDHR's current efforts in benchmarking and data publishing. Identify appropriate changes to existing initiatives in support of strategic objectives and implement.
- 12) Deploy agency resources to focus more specifically on directly effecting improvements in workplace health and safety.
- 13) Develop and implement an enhanced system for gathering and analyzing data concerning the make-up or composition of:
 - a) Unmet demand (unfilled positions).
 - b) Unemployed population.
 - c) Underemployed population.
- 14) Share newly created information (per #13) with the marketplace. Through the use of coalitions, develop initiatives and/or revise programs that meet identified needs.
- 15) Develop and implement a formal change and transition management education program. Integrate change management methodology into agency business practices.
- 16) Hire, promote and train people who exhibit an awareness and constructive behavior with respect to cultural and special needs issues.
- 17) Research, develop and implement strategies and mechanisms for augmenting funding for KDHR core services.
- 18) Develop a pilot program capability for demonstrating the value of proposed initiatives and programs prior to full-scale implementation.
- 19) Build an external recognition and awards program.

Graph 1
Trust Fund Balance by Month
Actual 1994 - 1999
Projected 2000 - 2002

