

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:10 a.m. on January 10, 2001 in Room 521-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Frank Miller - excused

Committee staff present: Bob Nugent, Revisor of Statutes
Rena Jeffries, Revisor of Statutes
Jerry Donaldson, Legislative Research Department
Bev Adams, Committee Secretary

Conferees appearing before the committee: Richard Beyer, Secretary of KDHR
Roger Aeschliman, Deputy Secretary of KDHR
William Sanders, KDHR
Steve Jack, KDHR

Others attending: See attached list

For the first meeting of the 2001 Session Chairman Lane had all the members and staff introduce themselves and tell a little bit about themselves.

Presentation by the Department of Human Resources

Chairman Lane introduced Richard Beyer, Secretary of the Kansas Department of Human Resources (KDHR).

Secretary Beyer gave an overview of the department. 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 Kansans and Kansas employers. In his written testimony, he outlines some of the department's strategic objectives for the future, the organizational chart, and information about the executive staff. (See Attachment 1)

Secretary Beyer introduced Roger Aeschliman, Deputy Secretary and Director of Staff Services, KDHR.

Mr. Aeschliman explained the organizational chart and gave the committee an idea of the size and scope of the department. Many of the matching departments in other states go by the name of Department of Labor or Workforce Development Department instead of the Department of Human Resources, but they do basically the same thing. He explained briefly each division and what are their different functions.

Through implementation of the Workforce Investment Act of 1998, KDHR has been a catalyst in developing the many splintered groups that provide services for Kansas businesses and job seekers into "One-Stop Career Service Centers" in the five regions in the State of Kansas. Many different agencies are engaged in workforce development initiatives partnering with KDHR; Commerce and Housing, the Board of Regents, the Department of Education, Social and Rehabilitation Services, and others. This is a more seamless system, a more helpful system that makes life easier for job seekers as well as employers. These centers can be accessed through your home computer, computers at your local library, or going to one of the centers. Their online address is www.kansasjoblink.com if you would like to see what the site offers.

William Sanders, Chief Information Officer and Director of Employment Security, KDHR, gave a brief overview of his division. He explained how the unemployment application process and other processes required by his division can now be done by calling a toll free number, where the claimants answer questions by punching numbers for their yes and no answers.

CONTINUATION SHEET

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE, Room 521-S Statehouse, at 9:10 a.m. on January 10, 2001.

One of their main problems now is funding. They have had a huge increase in workload the last weeks of December into the new year and have been handling it with the same amount of employees. The increase in claimants was caused by the weather conditions, the after Christmas layoffs, the Con-Agra fire, and the Monday holidays. Another problem is that the toll free numbers are swamped with calls on Mondays. This is a problem because some claimants get a busy signal and can not get through to file their claim. They are encouraging claimants to call on another day. Mr. Sanders finished his presentation by answering questions from the committee. (See Attachment 2)

Steve Jack, Director of Employment and Training, KDHR, is head of the division that oversees or operates federal and state-funded labor programs. He talked more about the Workforce Investment Act of 1998 (WIA) which was implemented in July of 2000. In his written testimony, he lists the many programs, their funding source and the amount. He explained several of the programs and how they operate. He finished his testimony by answering questions. (See Attachment 3)

Several people from KDHR will return Thursday, January 11, to continue their presentation.

Chairman Lane adjourned the meeting at 10:15 a.m. The next meeting is scheduled for January 11, 2000.

**HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE
GUEST LIST**

DATE: January 10, 2001

NAME	REPRESENTING
Tina DeLaRosa	KDHR - Ks. Adv. Com. Hispanic Affairs
Janet Palmer	KDHR
BRAD HAMILTON	KDHR Native American Affairs Office
Marc Lowe	KDHR
William Sanders	KDHR
Hal Hudson	NFIB/KS
Brie Laurel	BOEING
Pamela John Beth	KDHR
Kevin Berone	Hem/jur chkd.
COREY PETERSON	AGC of KS
DON DOESKEN	KDHR - legal Services
Barb Reavis	KWIP Council
Phil Hammers	KDHR
Bill Hayes	KDHR
Steve Jack	KDHR

**HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE
GUEST LIST**

DATE: January 10, 2001

NAME	REPRESENTING
Dick Beyor	KDHR
Shirley Reeler	Bottenberg & ASSOC
Roger Aeschliman	KDHR

Kansas Department of Human Resources

January 2001

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 Kansans and Kansas employers.

Our value to Kansans 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.

Strategic Objectives - Horizon: November 1, 2002

1. KDHR is recognized for its role in improving the health and safety of Kansas workplaces.
2. KDHR functions as a catalyst in establishing and maintaining an efficient labor exchange environment in Kansas.
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.
4. KDHR delivers a superior return on "investment" dollars to the State of Kansas.
5. KDHR and its affiliated boards are recognized as ethically courageous thought leaders in developing and advocating for policies and legislation in the State of Kansas and nationally, and for contributing to the development of national workplace and employment policies and systems.
6. KDHR is viewed within Kansas Government and in the broader employment context as an intelligent best practices employment model.

House Business, Commerce & Labor Committee

1-10-01

Attachment 1

7. 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.
8. KDHR has an attained "cultural and diverse needs" awareness that is matched to the needs and demographics of the agency's clientele.
9. KDHR has an established capability for creatively identifying and obtaining traditional and non-traditional funding (capital) from non-budget resources.
10. KDHR's America's Job Link consortium is flourishing.
11. KDHR has an effective Alternative Dispute Resolution program in place.

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PAMELA JOHNSON BETTS – Dir. of Kansas Advisory Commission on African American Affairs

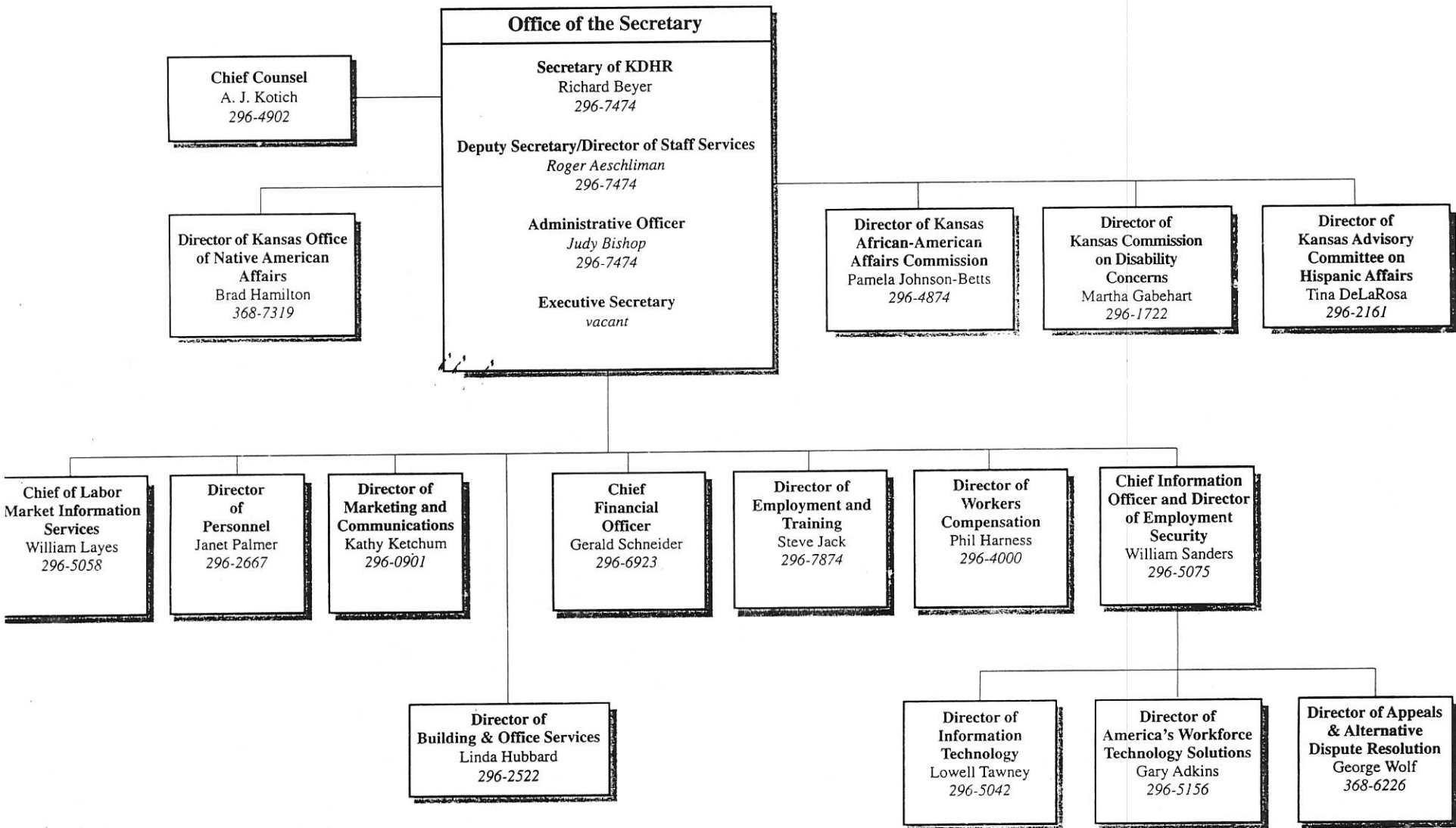
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Kansas Department of Human Resources

January 2001



Approved by: Richard E. Beyer



KANSAS

Bill Graves
Governor

DEPARTMENT OF HUMAN RESOURCES
Division of Employment Security

Richard E. Beyer
Secretary

William N. Sanders
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Kansas Department of Human Resources
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Program: Unemployment Insurance

Customers: 66,000 Kansas Employers
110,000 Claimants

Funding: FUTA Tax of \$56 per employee per year
State Unemployment Tax

Budget: \$14.8 million for administration
\$500 million federal trust fund for benefit payments
\$170 million in taxes collected/benefits paid

Offices: 3 Call Centers
2 Administrative Buildings
23 Local Tax Offices

Services: Audits
Tax Collection
Rate Assessments
Benefit Payments
Appeals

House Business, Commerce & Labor Committee

1-10-01

Attachment 2

Service Delivery: In-Person Audits
Call Centers
- Inquiries
- Initial Claims
- Determinations
Interactive Voice Response
Telephone Appeal Hearings
In-Person Appeal Hearings

Next Steps: Employer Resource Center
On-Line Appeals
On-Line Claims
On-Line Inquiries

Current Issues: Funding
Service Delivery through Call Centers



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DEPARTMENT OF HUMAN RESOURCES
Division of Employment Security

Richard E. Beyer
Secretary

Happenings

Dramatic increase in Initial Claims
Temporary staff hired – help with less complex claims (and additional temporary help)
Shifted staff – used staff from other units
Shifted calls
Extended business hours
Budget not known – FY 2000 budget is proportioned
Still meeting 1st payment criteria – before IVR's could not be done
Meeting quality criteria
Cost savings to public – no travel (ice, snow), waiting time and call backs, more convenience
ConAgra – staff, security, interpreters, difficult claims
All lines busy
Attempting to increase lines
Hired overall Call Center Manager
Reorganized Kansas City and Wichita to model Topeka
Prioritized initial claims over non-mons

Thoughts

Work with businesses to get information ahead of time. Process when layoff occurs.
Expand number of lines available
Expand Call Center hours
Stagger employees' hours
Coordinate Rapid Response out of administrative office
Work with businesses to handle sizable layoffs like GM
Have more temporaries trained
Have more Benefits Payment Control, Quality Control – administrative office staff trained

2-3

**Weekly UI Workloads
FY 1995 thru FY 2001**

2-4

FY 96	IC	WC	Pos. Used	Budget	FY 99	IC	WC	Pos. Used	Budget
12/02/95	2,892	17,590	78.30		12/05/98	1,933	13,555	100.18	
12/09/95	2,603	16,448	79.33		12/12/98	2,891	13,285	99.22	
12/16/95	3,197	16,768	79.98		12/19/98	2,615	13,975	98.59	
12/23/95	4,398	17,847	81.02		12/26/98	2,536	13,625	90.00	
12/30/95	3,593	19,721	84.90	\$ 14,768,735	01/02/99	3,808	17,064	104.69	\$ 15,047,863
01/06/96	2,472	20,760	71.09		01/09/99	5,027	21,042	112.38	
01/13/96	5,247	22,749	86.36		01/16/99	4,384	21,071	103.97	
01/20/96	2,811	22,040	81.53		01/23/99	2,169	19,909	99.41	
01/27/96	3,873	23,199	83.37		01/30/99	2,728	19,249	96.47	
FY 97	IC	WC	Pos. Used		FY 00	IC	WC	Pos. Used	
12/07/96	3,434	18,173	76.85		12/04/99	2,074	15,651	97.11	
12/14/96	2,281	16,623	77.65		12/11/99	3,110	14,695	107.51	
12/21/96	3,927	16,285	79.28		12/18/99	2,711	16,096	104.69	
12/28/96	4,102	18,021	80.39	\$ 14,693,527	12/25/99	4,076	16,086	107.53	\$ 14,803,270
01/04/97	3,109	21,724	79.98		01/01/00	2,591	19,041	107.83	
01/11/97	4,325	21,822	83.53		01/08/00	3,672	19,850	106.43	
01/18/97	4,721	21,653	86.21		01/15/00	2,460	19,297	106.69	
01/25/97	2,818	23,698	83.84		01/22/00	1,955	18,611	101.94	
					01/29/00	2,892	18,473	99.67	
FY 98	IC	WC	Pos. Used		FY 01	IC	WC	Pos. Used	
12/06/97	3,273	13,697	84.53		12/02/00	2,442	16,789	79.82	
12/13/97	4,610	14,485	83.64		12/09/00	2,530	15,734	82.10	
12/20/97	2,742	17,094	83.85		12/16/00	5,563	16,298	82.81	
12/27/97	3,551	14,913	82.25	\$ 15,126,389	12/23/00	7,367	21,551	81.26	???
01/03/98	3,224	19,333	81.66		12/30/00	4,129	25,614	80.74	
01/10/98	4,103	20,928	82.55		01/06/01	2,920	26,635	83.31	
01/17/98	3,400	20,636	86.50		01/13/01				
01/24/98	2,348	20,235	86.36		01/20/01				
01/31/98	2,349	19,887	84.68		01/27/01				



KANSAS

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DEPARTMENT OF HUMAN RESOURCES
Division of Employment Security

Richard E. Beyer
Secretary

Annual savings derived from the Kansas Initial Claims project based upon current expenses versus pre-implementation expenses.

\$100,000	Savings from less rent, etc.
\$139,794	Savings from Initial Claims aspect
<u>\$ 76,755</u>	Savings from Weeks Claimed aspect
\$316,549	

We are using about 20 less position equivalents to manage the same work. Some of those savings, however, are transferred to increased technology costs, communication expenses, etc. – to give the bottom lines savings mentioned above.

We are also saving approximately \$100,000 per year on less rent, utilities, etc. from fewer buildings due to the Call Center concept.

We did not estimate the savings to claimants through less travel, more convenience, quicker receipt of payment, etc.

2-5



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DEPARTMENT OF HUMAN RESOURCES
Division of Employment and Training

Richard E. Beyer
Secretary

Division of Employment and Training
Steve Jack, Director

The Division of Employment and Training consists of 285 employees located in a state central office and 24 workforce development centers across five Service Delivery Areas throughout the state. With a budget of nearly \$30 million, the Division oversees or operates the following federal and state-funded labor programs:

The **Workforce Investment Act of 1998** (WIA) provides the framework for a national workforce preparation and employment system designed to meet the needs of business and job seekers. The most important aspect of WIA is its focus on providing information and services through a single access point. The WIA legislation refers to this single access point as a "One-Stop" system where customers are able to obtain training, education, and employment services at a single neighborhood location. WIA requires that each Local Area establish a One-Stop delivery system through which core services are provided and through which access is provided to other employment and training services funded under the Act and other Federal programs. There is at least one Center in each local area, which are supplemented by networks of affiliated sites. WIA regulations mandate the following programs be co-located at a One-Stop site:

- ◆ Programs authorized under Title I of WIA
- ◆ Employment Service
- ◆ Welfare-to-Work
- ◆ Senior Community Service Employment
- ◆ Postsecondary Vocational Education
- ◆ Adult education and literacy
- ◆ Trade Adjustment Act
- ◆ Community Services Block Grant
- ◆ Veterans employment representatives and disabled veterans
- ◆ Employment and training programs authorized by Housing and Urban Development
- ◆ Programs authorized under State unemployment compensations laws

In addition to these mandatory programs, States are encouraged to add additional workforce development partners in an effort to establish seamless and comprehensive services at each site. The Kansas Workforce Investment Partnership (KWIP) advises the Governor and local administrative entities on WIA.

There are three major funding streams associated with Title II of WIA. They include funds allocated to the State and Local Areas for Adult, Youth, and Dislocated Worker programs and services. For Program Year 2000, Adult funding is about \$3,430,000, for Youth \$3,440,000, and for Dislocated Workers \$5,770,000.

Who funds:	U.S. Department of Labor
Approximate Appropriation:	\$12.65 million
Who provides services:	Local Workforce Investment Boards who contract to entities including KDHR.

House Business, Commerce & Labor Committee

1-10-01

Attachment 3

Job Service is the public labor exchange system that helps employers find qualified workers and assist job seekers in finding employment. Employment initiatives such as the Migrant and Seasonal Farm Worker and Outreach Program are funded through Job Service.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$6,564,000

The **One-Stop Career Center** system is an organizing vehicle for transforming a fragmented array of employment and training programs into an integrated service delivery system for job seekers and employers. The U.S. Department of Labor has given KDHR a \$6.7 million grant to work in conjunction with local communities and other governmental agencies to develop a system that allows customers to find quality information and services in one place.

Welfare to Work Grants are designed to create additional job opportunities for the hardest-to-employ recipients of Temporary Assistance for Needy Families (TANF). As part of federal welfare reform legislation, the program works with TANF recipients, who have been on assistance 30 months or longer and have multiple barriers to employment. The objective is to move these individuals into permanent long-term employment before they reach their 60-month limit on assistance.

Federal funding was made available in two separate formula allotments. During SFY 1998, KDHR was able to obtain the first allotment of \$6.6 million of federal funds by matching \$3.3 million of State General Fund (SGF) moneys. To be eligible for federal funds, states must match on a 2 to 1 ratio. The second federal allocation, of \$6.2 million, became available during SFY 2000. These funds were also contingent on the availability of \$3.1 million of State matching funds. The State utilized \$500,000 of SGF and the balance from soft match to allow for the distribution of the final federal allocation.

The **Local Veterans Employment Representative** (LVER) identifies, tracks, and provides case management services and intensive unsubsidized job development for the veteran community. This program cannot expend funds except for direct charged personnel within the programs and for general overhead.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$983,000

The **Disabled Veterans Outreach Program** (DVOP) conducts outreach directed at disabled veterans, and facilitates labor exchange services for them. Charges to the grant can only be made by DVOP personnel.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$633,000

The **Labor Certification Program** processes applications of foreign workers seeking temporary and permanent work visas in the United States. Applications are submitted for the job openings by employers or employer representatives.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$159,000

The **Senior Community Services Employment Program** (SCSEP) provides skill training through subsidized part-time employment to Kansans age 55 and older who are at or below 125 percent of the poverty level.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$900,000
Matching Funds: Matching funds of \$4,444 from State General Funds and about \$90,000 is provided from the service provider, American Red Cross.

The **North American Free Trade Agreement** (NAFTA) provides employment and training services to U.S. workers who lose their jobs as a result of the enactment of the North American Free Trade Agreement. Unemployment insurance benefits are also available. Funds for UI benefits are received separately.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$320,000

The **Trade Act of 1974** (TRA) provides employment and training services to U.S. workers who lose their jobs because of foreign competition. Only workers whose companies were certified as eligible under the Trade Act provisions may be served. TRA unemployment benefits are also available. TRA unemployment benefits are funded separately.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$2,932,300

The **Work Opportunity Tax Credit** allows employers to receive a maximum \$2,100 tax credit for each worker hired from seven targeted groups that traditionally have had the most difficulty getting jobs.

Who funds: U.S. Dept. of Labor
Approximate Appropriation: \$145,000

The **Apprenticeship Program** provides employment and training opportunities to unskilled people on the job and in related technical instruction; upgrades the workforce to meet the needs of industry through skilled journey workers; and promotes the apprenticeship concept to labor, management, and through the school system. The Kansas Apprenticeship Council must approve a training program for it to be deemed registered.

Who funds: State General Revenue Funds
Approximate Appropriation: \$85,000

The **Neighborhood Improvement and Youth Employment Act** (NIYEA) encourages secondary school completion, enhances citizen skills in students and provides work experience. Projects are funded to provide employment opportunities during the summer, or after school, to eligible students. Qualified work activities include the repair, renovation, and maintenance of essential community facilities; performance of community service; or work with low-income senior citizens.

Who funds: State General Revenue Funds
Approximate Appropriation: \$100,000

The **Older Kansans Employment Program** (OKEP) provides career assessment, job matching, and job search assistance to Kansans age 55 and older regardless of their income and facilitates the development of job opportunities for older Kansans in private industry. Program is coordinated with the Department on Aging. The KWIP and Older Worker Task Force give guidance to the program.

Who funds: State General Revenue Funds
Approximate Appropriation: \$230,000

The **Wheat Harvest Program** provides farmers with a system to locate and hire custom cutting crews to harvest their winter wheat.

Who funds: Penalty & Interest Funds
Approximate Appropriation: \$60,000