

Approved: Deena Horst
5-4-01 Date

MINUTES OF THE E-GOVERNMENT COMMITTEE.

The meeting was called to order by Chairperson Deena Horst at 3:38 p.m. on March 6, 2001, in Room 526-S of the Capitol.

All members were present except Representatives Henderson, Wilson, Alldritt and Tafanelli, all of whom were excused.

Committee staff present:

Audrey Nogle, Legislative Research Department
Jim Wilson, Revisor of Statutes' Office
Denise Richards, Committee Secretary

Conferees Appearing before the Committee:

Jon McKenzie, Information Resource Manager, Kansas Corporation Commission

Others attending: See attached sheet.

Representative Deena Horst distributed Attachment 1 regarding information on the state's workforce, which had been requested at a previous meeting.

Jon McKenzie, Information Resource Manager, Kansas Corporation Commission (KCC), briefed the committee on the KCC's present and long-term applications of electronic government. (Attachment 2) He indicated every filing made in the Utility Division docket is available at the Commission's website. There are over 10,000 documents available on the website. Mr. McKenzie also said that the only exceptions are confidential documents and filings that are too large to make available electronically. He stated their plans for the year include revising the Transportation Division databases and working with the Information Network of Kansas (INK) to provide re-registration forms on the internet along with the ability for registrants to pay fees by credit card.

Answering questions, Mr. McKenzie responded that the type and length of employee training is determined in accordance with the needs of individual employees. Mr. McKenzie then introduced Susan Cunningham, Acting General Council, to assist in answering questions. Ms. Cunningham stated that the kinds of things that would be considered confidential are customer account information, special contracts and sensitive information.

The meeting was adjourned at 3:58 p.m. The next meeting is scheduled for Thursday, March 8, 2001, at 3:30 p.m. in Room 526-S.

e-GOVERNMENT COMMITTEE
GUEST LIST

DATE: Mar 6 2001

NAME	REPRESENTING
Jan McKenzie	KCC
Robert Knapp	INK
SCOTT SCHNEIDER	GIBBA / INK
Tom Day	KCC
Susan Cunningham	KCC



<http://da.state.ks.us>

DEPARTMENT OF ADMINISTRATION
Division of Personnel Services

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February 26, 2001

The Honorable Deena Horst
Kansas House of Representatives
Capitol Building, Room 174-W
Topeka, KS 66612

Dear Representative Horst,

At the committee hearing where I presented information on the state's workforce, Representative Greenwood asked a follow-up question about the future trend of the national workforce.

We have conducted research on this topic by contacting other state human resource managers, federal government publications, Kansas Department of Human Resources, and current literature. The common response is that there are a number of considerations and variables that make it impossible to reasonably predict statistics on the nation's workforce.

Attached is an overview of the results of our research. If you have further questions, please contact me.

Sincerely,

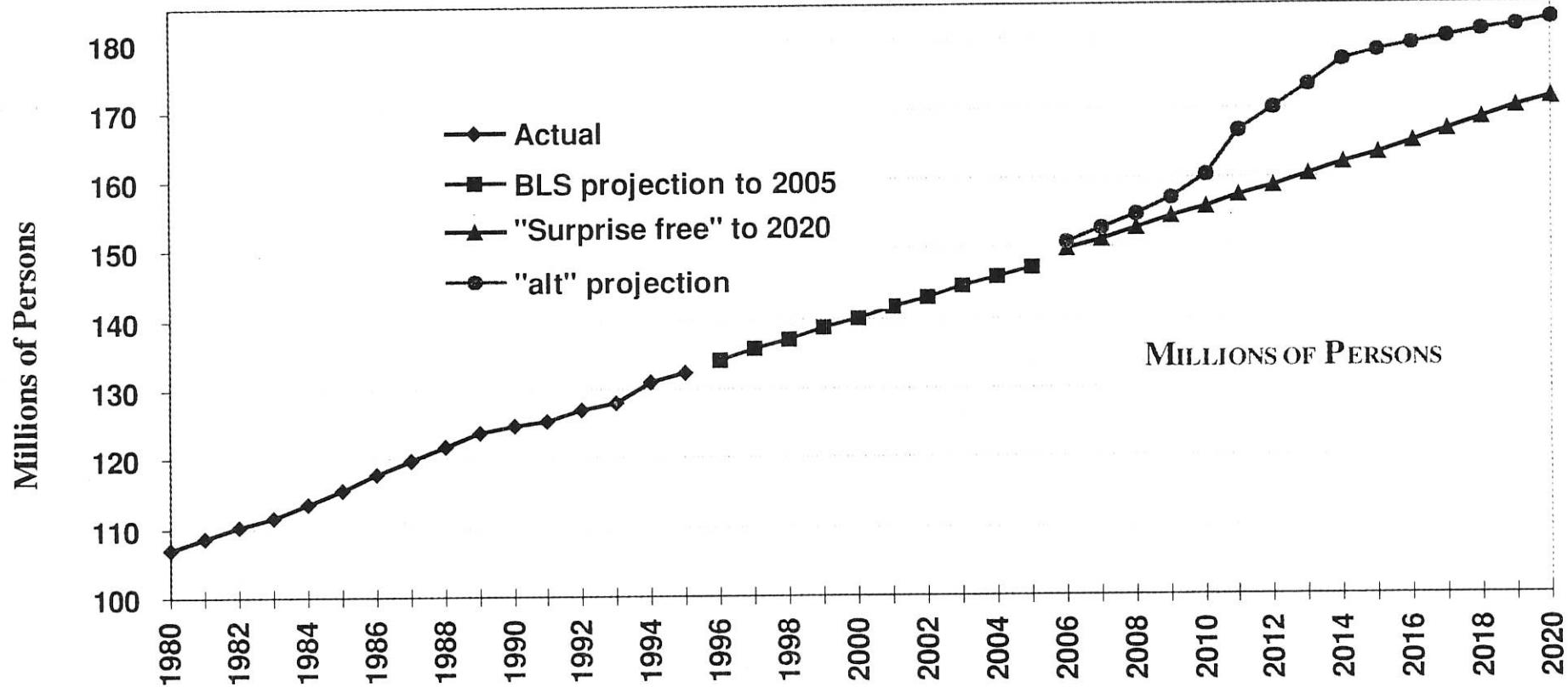
Bobbi Mariani

BJM:cm

Enclosures

Attachment 1
e-Gov 3-6-01

FIGURE 3-6
THE LABOR FORCE WILL GROW SLOWLY
BARRING AN INCREASE IN LABOR FORCE PARTICIPATION RATES



Sources and assumptions: Actual BLS data for 1980-1995; BLS projections for 1996-2005. The "Surprise free" projection is a linear extrapolation for 2006-2020 based on BLS projected participation rates as of 2005. The "alt" (alternative) projection is based on much higher assumed labor force participation rates after 2005 for workers aged 55-70 years of age.

Workforce Projections

During the 1970s, the largest generation the world has ever known came of age and millions of baby boomers entered the workforce. As the baby boomers approach retirement age, they are being replaced by one of America's smallest generations. Nationally, employers in both the public and private sectors are facing a shortage of workers in general, with highly skilled workers being in particularly short supply. In a survey conducted by RewardsPlus of America, 52 percent of employers cited recruitment and retention as the number one employment issue they are facing today. Kansas is no exception. In recent testimony to the Kansas House New Economy Committee, Rick Beyer, Secretary of the Kansas Department of Human Resources, stated:

"There is a silent crisis in Kansas. Quite simply, employers cannot find enough people with the right skills to fill their openings. There are approximately 100,000 openings in Kansas and roughly 50,000 people who are unemployed. This gap between the supply of and demand for job-ready talent is both costly and manageable. It is the 'burning platform' and a top priority in our state. The lost opportunity of these unfilled jobs is \$5 billion in business revenue, \$3 billion in family income, and \$500 million in unrealized state taxes annually."

Secretary Beyer noted three components that contribute to the shortage of workers:

- *"There is a gap between the skills required for the vacant jobs and the skills the unemployed have. Technology will continue to propel the new economy, creating new jobs and altering the skill mix required to succeed."*
- *"There is often a physical gap between where the jobs are and where the potential workers are."*
- *"It will be difficult for the supply of labor to keep pace with demand, especially in light of the large number of retirements anticipated over the next five to ten years."*

It is difficult to definitively predict workforce growth rates over the next couple of decades. However, the U.S. Department of Labor is able to make some predictions as to the size and demographics of the U.S. population and labor force:

- The oldest among America's baby boomers will begin to reach age 65 in 2010.
- After 2010 there will be a rapid increase in the percent elderly as the share of the adult population declines in all regions.
- By 2025, 18.5 percent of the U.S. population will be 65 or older.
- By 2020, there will be as many Americans of "retirement age" as there are 20-35 year-olds.
- America's aging baby boomers will decisively affect the U.S. workforce, through their departure from and continued presence in it.

- By the year 2005, DOL predicts that self-employment will be the largest work category.
- After 2000, the rate of population change for the States will decline substantially for each 5-year period.
- Over the next 30 years, the West is projected to grow nearly twice the national average, while the Northeast and Midwest grow at one-half the U.S. total rate.
- The South will continue to be the most populous region of the Nation during the next 30 years. The Midwest will drop from being the second most populated region in the Nation in 1995, to the third most populated region by 2005.
- The slow population growth of the Northeast and Midwest is attributed to net internal out-migration to other regions.
- After 2010, the percentage of the population that is elderly will increase rapidly in the South and Midwest.

The U.S. Department of Labor makes predictions for population growth based on assumptions for birth rates, mortality rates, and net migration rates that take into account both interstate and international migration. However, these are only guesstimates based on historical trend analysis. In its 1997 publication, "*Workforce 2020*," The Hudson Institute states that there are two important factors that will impact the workforce growth rate over the next 20 years. They conclude that:

"Slow population growth and the retirements of baby boomers ensure that the workforce will grow only slowly in years to come. Two factors will determine its growth rate: the extent of immigration and the labor-force participation of men and women(particularly older ones.)"

Immigration: According to the Hudson Institute, one hope of dealing with America's growing labor shortage is selective immigration. The labor-force growth rate could be raised substantially by increasing the number of immigrants allowed into the country each year. But that doesn't necessarily solve the problem. By 1988, the foreign-born already accounted for more than one fifth of all U.S. residents without a high school degree. The Hudson Institute argues that unless the priorities of immigration policy are revised dramatically, a huge increase in the already large numbers of unskilled and unschooled immigrants might provide the economy with more workers, but not more qualified workers.

Increased Workforce Participation: According to the Hudson Institute, by 2010, a sizeable number of workers will have aged, with some retiring but others staying on the job. Depending on how the funding of entitlement programs is resolved and how well individual baby boomers have prepared for retirement, some aging workers may not be able to afford retirement, while other well-educated baby boomers will prefer to work through their sixties or even longer. Because the baby boomers will gradually be replaced by a much smaller cohort of "baby busters" (those born 1965-1985), neither the workforce nor the population will grow rapidly.

The Hudson Institute developed two projections for the growth of America's labor force (see the attached graph). In the "surprise-free" projection, workforce growth is expected to slow to 1 percent per year between 1996 and 2020, down from 1.1 percent for the period from 1982 to 1993 – though it is still expected to grow more rapidly than the overall population. The alternative projection results in more robust annual labor-force growth of 1.3 percent from 1996 to 2020: that rate of increase could boost the nation's 2020 workforce by nearly 7 percent above the level that current trends would yield. This second Hudson projection is based on the assumption that many more older Americans will keep working.

Kansas Workforce Predictions

- During FY 2000, the Kansas Civilian Labor Force increased by 1.4 percent.
- During FY 2000, employment in Kansas as measured by Place of Work Data, increased by 1.8 percent.
- By 2025, Kansas is projected to drop from 31st to 32nd most populous State.
- Kansas is projected to rank 31st largest among the 50 states and District of Columbia in the number of persons gained through net internal migration between 1995 and 2025.
- Kansas could rank 33rd largest in terms of its natural increase (birth minus deaths).
- Kansas' population classified as elderly is expected to increase from 13.7 percent in 1995 to 19.5 percent in 2025.
- Kansas' Dependency ratio could rise from 77.1 to 86.3 in 2025. Dependency Ratio = the number of youth (under age 20) and elderly (ages 65 and over) for every 100 people of working ages (20 to 64 years of age).

One thing is for certain, as retirement ages become increasingly less predictable, workforce planning will become more uncertain. The Hudson Institute strongly recommends that states conduct their own detailed labor-force and economic-development analyses for specific regions and cities, industries or firms, and even individuals. Perhaps the statewide strategic Planning Process currently being conducted by Kansas INK could be expanded to include a labor force analysis.

**BEFORE THE HOUSE E-GOVERNMENT COMMITTEE
PRESENTATION OF THE KANSAS CORPORATION COMMISSION
March 6, 2001**

Thank you Madam Chair and members of the Committee. I am Jon McKenzie, Information Resource Manager for the Kansas Corporation Commission. I appreciate the opportunity to be here today to relate information regarding the Commission's current and long term plans for internet e-government applications.

Currently, nearly every filing made in a Utility Division docket are available at the Commission's website. The only exceptions are confidential documents and filings that are simply too large to make available electronically. To date, we have over 10,000 documents available on our website. Also available are Adobe Acrobat documents of our application forms for motor carrier authority and various oil and gas operations.

This year we will be completely revising our Transportation Division databases. During this process, much of the motor carrier information will be made available on our website. Also, we are currently in discussions with the Information Network of Kansas (INK) to provide re-registration forms on the internet along with credit card payment. Re-registration of motor carriers will begin in October. INK is already working on a temporary permit application that is scheduled to be complete this summer.

As for our plans over the next five years, I would expect that many of our Conservation Division oil and gas applications would be completed with a web-browser with the data loaded directly into our databases. Again, we plan on using INK for any credit card applications.

Another area of interest is the use of the Extensible Markup Language (XML) for data exchange. All of the major software companies (Microsoft, Oracle, Sun Microsystems) are

including XML in their software. Unlike Electronic Data Interchange (EDI), XML is a non-proprietary formatting standard for data exchange that can be loaded into almost any software application from wordprocessors to databases.

The question of “If we had unlimited money, what would we offer?” offers an interesting dilemma. The hardware and software required to provide internet-based services can be purchased with only a modest investment especially if you use open source software products like the Apache Web Server and Linux. Probably the largest cost to provide internet-based services is the network bandwidth, but I believe the biggest constraint is time. Time to implement a project, time to learn about new technology, time to maintain existing systems. We have all heard that everything moves at “internet time”, but those of us involved in providing internet-based services are learning first hand how fast things change and how hard it is to keep our skills current. We must also allow our employees the time for training and self-education.

Another long-term challenge is much of the data on our website will eventually come directly from our databases. This means that much of our website content will come from within the depths of the organization without editorial review. Also, when we build application interfaces for external users to enter data into our system, we must not only safeguard our systems for malicious content they might enter, but carefully review the input before we re-display it on our website.

We will continue to focus our attention on providing pertinent and timely information to our customers. People return to websites not because of glitzy technology or bells & whistles, but because the site provides useful information. I thank you again for giving me this opportunity and I would be happy to answer any questions you might have.

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Attachment 2
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