

Approved:
Date *February 21,*
2003

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on February 3, 2003 in Room 521-S of the Capitol.

All members were present except: Representative Doug Patterson, Unexcused
Representative Rick Rehorn, Unexcused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department
Renaë Jefferies, Revisor of Statutes
June Evans, Secretary

Conferees appearing before the committee: Steve Jack, Director, Employment & Training, Kansas Department of Human Resources

Others attending: See attached sheet

The Chairman called the meeting to order and reviewed the week's schedule. Minutes of January 22 and 27 were distributed. If there are any changes or corrections, please contact myself or the secretary by Friday, February 7 or they will stand as approved.

The Chairman asked if there were any bill introductions.

Steve Kearney, requested introduction of a bill on amending the pera law regarding Kansas State Troopers Association and the Fraternal Order of Police.

Representative Johnson moved and Representative Ruff seconded to accept the bill introduction. The motion carried.

Representative Novascone moved and Representative Ruff seconded to introduce a bill concerning tax supported entities and private entities. The motion carried.

Steve Jack, Director, Employment & Training, Kansas Department of Human Resources, gave a briefing on the Workforce Investment Act (WIA) of 1998.

The WIA is the fourth in a nearly 40-year series of federal programs designed to provide skill assessment, job training, and job search assistance primarily to economically disadvantaged individuals, dislocated workers, and those with other barriers to employment. The previous acts in this series, the Manpower Development and Training Act of 1962 (MDTA), the Comprehensive Employment and Training Act of 1973 (CETA), and the Job Training Partnership Act of 1982 (JTPA), along with the Workforce Investment Act all shared the continuing objective of enabling individuals to rise out of poverty, avoid the danger of falling into poverty, and providing for some way of upward mobility during their work lives to a family-sustaining income. While WIA has given states flexibility to provide some core, informational, and referral services to the broader population, WIA funding streams still have eligibility requirements.

There are five local workforce investment boards that determine how WIA services are provided in Kansas.

The federal government judges state performance in the administration of the WIA program with 17 performance measures. These are grouped into four major categories: (1) adult (2) youth (3) dislocated worker and (4) customer satisfaction.

The state made significant strides in the number of individuals served during the most recent program year. Kansas achieved a 37 percent increase in participant levels with a 29 percent increase in the number of adults served and a 159 percent increase in service to dislocated workers over the previous year. Driving these increased service levels was an increase in overall spending of 143 percent, returning the state to the level of service delivery achieved under JTPA.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE at 9:00 a.m. on February 3, 2003 in Room 521-S of the Capitol.

Local Boards and their partner agencies working through the One-Stop system provided services to nearly 1,400 adult participants, 2,400 dislocated worker participants, and over 1,000 youth participants. The nearly 160 percent rise in services to the dislocated worker population was caused by a significant increase in mass layoffs and business closures. However, the increased level of services to adult and youth populations is directly attributed to the coordination efforts conducted in the year preceding the implementation of the Workforce Investment Act and the lessons learned from the first year of WIA operations.

KDHR has implemented several initiatives to acknowledge the importance of employers and bring them and their jobs into the system. KDHR mailed a marketing piece from the Governor to 63,000 Kansas employers promoting the value of the internet site, Kansas Job Link KJL. Radio and television spots were purchased through the Kansas Association of Broadcasters. The number of employers posting jobs has risen from 1,575 to 2,612 over the past four months and the number of job orders on line has risen from 2,073 to 4,235 during that same time period. On the average, each job order contains 2.5 job openings. There are more than 10,000 active job openings on KJL today. Two new publications are available, one explains the value of utilizing the internet to recruit employees and specifically how to use KJL to employers. The other publication outlines programs available to Kansas employers in (1) finding employees (2) financial incentives for hiring and training workers (3) training and education resources and (4) labor market information available through the Kansas Department of Commerce and Housing, KDHR, Kansas Board of Regents institutions, and the Workforce Development Centers located throughout the state (Attachment 1).

The following publications are on file in the Chairman's Office: Workforce Investment Act Annual Report, Employer Services Guide and Employer's Internet Recruiting Guide.

The meeting adjourned at 9:50 a.m. The next meeting will be February 4, 2003.

**Testimony Before the House Commerce & Labor Committee
by Steve Jack, Director, Employment & Training
Kansas Department of Human Resources
Statehouse, Room 521-S, 9:00 a.m.
February 3, 2003**

Good morning, Chairman Dahl, and members of the Committee. My name is Steve Jack, and I serve as Director of the Employment and Training division of the Kansas Department of Human Resources. It is my privilege today to talk with you about WIA – the Workforce Investment Act of 1998.

The Workforce Investment Act of 1998 (WIA) is the fourth in a nearly 40-year series of federal programs designed to provide skill assessment, job training, and job search assistance primarily to economically disadvantaged individuals, dislocated workers, and those with other barriers to employment. The previous acts in this series, the Manpower Development and Training Act of 1962 (MDTA), the Comprehensive Employment and Training Act of 1973 (CETA), and the Job Training Partnership Act of 1982 (JTPA), along with the Workforce Investment Act all shared the continuing objective of enabling individuals to rise out of poverty, avoid the danger of falling into poverty, and providing for some way of upward mobility during their work lives to a family-sustaining income. While WIA has given states flexibility to provide some core, informational, and referral services to the broader population, WIA funding streams still have eligibility requirements.

Five Local Workforce Investment Boards determine how WIA services are provided in Kansas. In Southeast Kansas and in the Kansas City area, KDHR administers Adult, Youth, and Dislocated Worker services for each board. Heartland Works administers those programs in Northeast Kansas, and WESTCO administers WIA services in the Western half of the state. Adult and Youth programs in the six counties in the Wichita area are administered by the City of Wichita, while KDHR administers the Dislocated Worker program there.

The federal government judges state performance in the administration of the WIA program with 17 performance measures. These are grouped into four major categories: Adult, Youth, Dislocated Worker, and Customer Satisfaction. The general areas covered by these measures include:

- Whether individuals entered employment after receiving services
- Whether these individuals retained that employment
- Whether these individuals earned more money after participating in the program than prior to their participation
- Whether these individuals received a diploma or credential or reached a measurable skill level
- Whether a customer – both employers and individual participants – were satisfied with the services provided under WIA

Kansas successfully met or exceeded the negotiated level of performance for each of the 17 performance measures during Program Year 2001. The State exceeded the negotiated performance standards for customer satisfaction both for individual participants as well as for employers. The State exceeded the negotiated level of performance for the Adult Entered Employment rate, the Adult Employment Retention rate, and the Adult Employment and Credential rate. The State met the negotiated level for the Adult Wage Gain rate. That means, while the State did not exceed its goal in that measure, it did reach an 80 percent level for the standard, which is acceptable to the federal government. The State exceeded the negotiated performance standards for the Dislocated Worker Entered Employment rate, the Retained Employment rate, the Employment and Credential rate, and the Wage Replacement rate. The State met or exceeded the negotiated performance standards for all seven youth measures. This is a dramatic turn around from PY2000 when the State failed to meet the negotiated levels for four of the seven youth core measures.

The performance of individual Local Areas dramatically improved during the program year with one area meeting or exceeding all of its negotiated standards and the other areas meeting or exceeding 16 of the 17 measures. In PY2000, the Local Areas collectively failed to meet a combined 17 measures. During PY2001, only four were missed.

The State of Kansas also made significant strides in the number of individuals served during this most recent program year. Kansas achieved a 37 percent increase in participant levels with a 29 percent increase in the number of adults served and a 159 percent increase in service to

dislocated workers over the previous year. Driving these increased service levels was an increase in overall spending of 143 percent, returning the State to the level of service delivery achieved under JTPA.

Local Boards and their partner agencies working through the One-Stop system provided services to nearly 1,400 adult participants, 2,400 dislocated worker participants, and over 1,000 youth participants. The nearly 160 percent rise in services to the dislocated worker population was caused by a significant increase in mass layoffs and business closures. However, the increased level of services to adult and youth populations is directly attributed to the coordination efforts conducted in the year preceding the implementation of the Workforce Investment Act and the lessons learned from the first year of WIA operations.

For the Adult program, the average cost per participant was \$2,698. Using the wage gain rate for Adult exiters as a measure of effectiveness, the return on investment was \$0.73 per dollar expended. This reflects a decrease in the return on investment from last year of nearly \$0.63. This is directly attributed to a high percentage of program participants in the adult program during PY2000 having been fully employed prior to receiving services. Better results were achieved in the Dislocated Worker program where the average cost per participant was \$2,051, and the return on investment based on exiter wage replacement was \$5.38 per dollar expended, an increase of \$0.50 per dollar over last year. For Youth Programs, the cost per participant was \$1,856. While it is significantly harder to determine a return on investment methodology for youth exiters because of the low percentage of younger youth who enter employment, slightly more than one dollar of older youth wage gain was achieved for each dollar expended on both older and younger youth, a measurable increase from last year.

Federally-funded workforce programs have historically treated individual participants as their clients or customers. The Workforce Investment Act, to a certain degree, attempts to recognize employers as customers, too. In Kansas, we have implemented several initiatives to acknowledge the importance of employers and to bring them and their jobs into the system. In September of last year, KDHR mailed a marketing piece from the Governor to 63,000 Kansas employers promoting the value of our Internet job site, Kansas Job Link (KJL). At the same

time, we purchased radio and television spots through the Kansas Association of Broadcasters which also promoted the value of KJL to both employees and employers. Because of this outreach, the number of employers posting jobs has risen from 1,575 to 2,612 over the past four months, and the number of job orders on line has risen from 2,073 to 4,235 during that same period. On average, each job order contains 2.5 job openings. This means that there are more than 10,000 active job openings on Kansas Job Link today. And because there are more jobs listed in our system, it becomes much more valuable to the job seeker.

Additional efforts to reach employers include two new publications. One explains to employers, in general, the value of utilizing the Internet to recruit employees and specifically how to use Kansas Job Link. The second piece, outlines many of the programs available to Kansas employers in (1) finding employees, (2) financial incentives for hiring and training workers, (3) training and education resources, and (4) labor market information available through the Kansas Department of Commerce & Housing, Kansas Department of Human Resources, Kansas Board of Regents institutions, and the Workforce Development Centers located throughout the state.

It is our hope that by focusing our outreach and customer service efforts on employers as well as job seekers, we will continue to see increases in the numbers of each utilizing the system, continued improvement in meeting our performance goals, and make what we call the Workforce Network of Kansas of more value to everyone.

I will be happy to answer any questions you may have.