

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 3, 2004 in Room 123-S of the Capitol.

All members were present except:
Senator Bill Buntten- excused

Committee staff present:
Kathie Sparks, Legislative Research
Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:
Barb Reavis, Workforce Policy Liaison, Workforce Network of Kansas Board
Linda Weaver, Director, Policy, Planning and Employer Programs, KDHR

Others attending:
See Attached List.

Chairperson Brownlee opened the informational hearing on workforce development issues.

Ms. Reavis and Ms. Weaver presented testimony regarding the current structure of employment and training programs in Kansas, as well as the structure of workforce development. (Attachment 1) They also provided the committee with a map entitled, "Local Workforce Investment Areas Workforce Investment Act of 1998" (Attachment 2) and another entitled "Workforce/Economic Development Regions". (Attachment 3) They then went over "Workforce Development Funding in State Agencies (Attachment 4)", "Area WIA Allocations FY 03" (Attachment 5), and "State Performance Program Year 2002" (Attachment 6).

Chairperson Brownlee asked if as WIA is re-authorized at the federal level, is there consideration for any flexibility in boundaries. Ms. Reavis replied that while local communities can get together to change it, there is no legislation currently and there is a "hold harmless" provision that guarantees 90% funding if boundaries are not changed.

Following further discussion, Senator Jordan indicated that an NCSL study had resulted in finding Kansas spends four hundred million dollars on workforce development; Ms. Reavis responded that this figure included all temporary aid for families, so in reality the number is closer to twelve million.

In response to committee questions, Ms. Reavis stated that there is a federal formula that determines the amount of money for each area and that almost all monies are designated in this way.

Senator Kerr questioned the amount of funds spent on administration, and Ms. Reavis replied that there is a limit of 5% of total funds that can be spent on administration. She stated that there was a maximization of administrative dollars, but that in administration, those kinds of savings are not easily seen; it would be difficult to determine, for example, the amount spent on administration per service provided.

Ms. Reavis outlined for the committee what some of the differences were between the various programs, and expressed concern that there may be some double reporting. She stated that she would be happy to supply the committee with any additional information on programs it desired.

Chairperson Brownlee stated that she would be interested to know to whom programs are accountable and who walks in the door, etc.

The Chair announced that the hearing on **ERO 31** would be held the following morning.

Senator Barone asked if it would be possible to see performance levels by district.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on February 3, 2004 in Room 123-S of the Capitol.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. The next meeting will be at 8:30 a.m. on February 4, 2004 in Room 123-S of the Capitol.

Kansas Senate Commerce Committee

February 3, 2004

Presentation by Barb Reavis, Workforce Policy Liaison, Workforce Network of Kansas Board and Linda Weaver, Director, Policy, Planning and Employer Programs, Kansas Department of Human Resources.

(Barb)

Madame Chair and Committee Members, thank you for inviting us to respond to some of the questions you have posed about workforce development in Kansas. Many of you have heard from me in the past. I hope today's information builds on our previous meetings. I am Barb Reavis and I serve as staff to the Governor's state workforce board.

The **questions** posed by your Chair seemed to fall into these categories:

- How and where the accountability lies for programs and funds
- Local Area boundaries and issues concerning those boundaries
- How federal dollars flow to Local Areas
- How success is measured in a program and funding related to that success

As background to some of those issues, I'd like to step back and describe the current **structure** of employment and training programs in Kansas.

The Workforce Network of Kansas consists of several components with clear and distinct responsibilities. Its structure is driven by federal legislation, the **Workforce Investment Act** (WIA) of 1998, even though appropriations for that program are not the largest source of revenue for employment and training services in Kansas.

Advisory Responsibilities

By **Executive Order 01-06**, Governor Bill Graves designated the **Workforce Network of Kansas Board** as the state workforce investment board. The Board is an apolitical advisory group consisting of 35 members appointed by the Governor. WIA mandates the structure of the state workforce investment board membership. Over fifty percent of the **membership of the Board** must come from private industry. The balance of the board members represent government, education, community based organizations and labor. The Board typically **meets four-five times each year**. Chair Brownlee and Ranking Minority Member Barone are members of this Board.

Local Governance

A Board of Chief Elected Officials, a body of elected officials from local governments in each area receives WIA Funds and appoints the Local Workforce Investment Board membership. Each Board of Chief Elected Officials has a Chair.

Five **Local Workforce Investment Boards** are the governing bodies for WIA funds and design the most appropriate workforce development programs for their respective Local Area. Among other responsibilities, they hire administrative staff, approve multi-service centers (commonly called one-stops), and negotiate memorandums of understanding with WIA mandated and voluntary service partners.

Each **Local Workforce Investment Area** has a **Youth Council** to ensure workforce development opportunities for youth are provided and appropriate for their geographic population.

Service Delivery

Although a predominant goal of WIA is the development and maintenance of **one-stop centers**, the WIA program is only one of about **thirty separate programs** administered by the State of Kansas. Many of those services are delivered through a series of single-service sites, such as job services, employment and training through income maintenance and food stamp programs, or secondary and post-secondary technical education. Online filing of Unemployment Insurance claims and job searches are available through **Kansasjoblink.com**. In addition, a variety of federal and private grants flow directly to non-state entities for local and regional solutions.

The structure of workforce development in Kansas is not the most complicated among the fifty states nor is it the least complicated. All over the county, leaders are working on ways to improve the efficiency of the management of these programs and streamline the delivery of services.

Now that you understand the components of employment and training programs in Kansas, let's move to **specific answers**. Your questions seem to be primarily concerned with the Workforce Investment Act program and funds so we will focus the rest of our presentation on that program.

Prior to WIA authorization in Kansas, Chief Elected Officials were given an opportunity to **change boundaries or keep boundaries** as they existed under the Job Training Partnership Act. Our local officials chose to maintain the existing boundaries. With satisfactory performance and no financial exceptions, the boundaries remain in place. (Five local areas map).

Early in 2003, Lieutenant Governor John Moore hoped to change those boundaries to form **seven local areas**, aligning them with economic development areas that exist within the Department of Commerce. It was the opinion of the US Department of Labor that the boundaries cannot be altered except in the circumstances of unsatisfactory performance or financial mismanagement. However, Governors are allowed to require Local Workforce Boards to participate in Regional Planning. Approaching the alignment of workforce development and economic development areas through Regional Planning will accomplish the same alignment by requiring Local Workforce Boards to plan and collaborate across boundaries. (seven regions map)

Not coincidentally, these are the same seven Regions used for the Prosperity Summits last fall. So, although there was early discussion about changing Workforce Investment Area boundaries, that question is resolved.

We talked about the structure of workforce programs and some of the responsibilities. The next document shows the **total public funding picture** for employment and training programs administered by state agencies. (Workforce Development Funding in State Agencies chart) This chart is historical and organized by names of agencies currently responsible for the administration of the program. Over the years, there have been several attempts to determine how much public money is spent on workforce development in Kansas. We have it summarized here.

You will note the bottom line of this table (column F, line 58) is \$156.2 million, representing federal and state dollars in about 30 programs. Workforce Investment Act, the program we are concentrating on today, is the largest employment and training funding stream at Kansas Department of Human Resources and it is

delivered locally. Eighty-five percent of the funds go directly to the Local Areas by formula. It is also the only funding stream that would have been affected by a change in Local Workforce Area boundaries, one of the reasons that suggested change caused such concerns.

I'd like to introduce **Linda Weaver**, Director, Policy, Planning and Employer Programs, Kansas Department of Human Resources. She is going to talk about the distribution of WIA funds and the most recent WIA performance standards.

(Linda)

I am going to provide you a brief explanation of how WIA funding is allocated to the States, and how the State's share of funding is allocated to the Local Areas.

WIA money comes to the State to serve three specific populations: Adults, Youth and Dislocated Workers. In general, the amount of funding a state receives depends on its national share of unemployed individuals, if it has an unemployment rate greater than 4.5%, and its national share of persons who are economically disadvantaged or long-term unemployed.

The chart titled **Area WIA Allocations PY 03** describes how WIA funding flows to the Local Areas. Within the State, the funding flow continues along the same three funding streams: Adults, Youth and Dislocated Workers. The State is allowed to set aside a certain amount from each funding stream to accomplish certain statewide employment and training activities such as:

- Disseminating a state list of eligible training providers
- Monitoring activities

- Providing incentive grants to local areas
- Providing technical assistance to local areas
- Assisting in the establishment and operation of one-stop systems
- Operating a fiscal and management accountability information system

The State can also accomplish other allowable activities with these funds. These activities include:

- Providing capacity building and technical assistance to local areas, one-stop operators, one-stop partners, and eligible providers
- Conducting research and demonstration projects
- Implementing innovative programs for incumbent workers and displaced homemakers
- Implementing programs to increase the number of individuals trained for nontraditional employment
- Carrying out other activities the State determines necessary to assist local areas in providing services.

As Barb mentioned earlier, eighty-five percent of WIA funds flow to the Local Areas by formula. This chart shows the actual amounts that were allocated to each Local Area in the most recent program year.

The last topic I will address is performance standards. There are 17 performance measures in place to assure that the State and the Local Areas are accountable for meeting the needs of the Adults, Youth and Dislocated Workers the funding is intended to serve. The expected performance levels and actual performance levels for

the most recent program year are described in the handout titled **State Performance Program Year 2002**.

For adults and dislocated workers there are measures for rates of entry into unsubsidized employment, job retention, post-placement earnings, and acquired education and skill standards.

For older youth (19-21 years of age) there are measures for attainment of a high school diploma (or its equivalent) for those who enter postsecondary education or advanced training as well as for those who get jobs.

For younger youth (14-18 years of age) there are measures for achieving basic skills, work readiness, occupational skills, a high school diploma (or equivalent), and placement and retention in postsecondary education, advanced occupational training, apprenticeships, the military or employment.

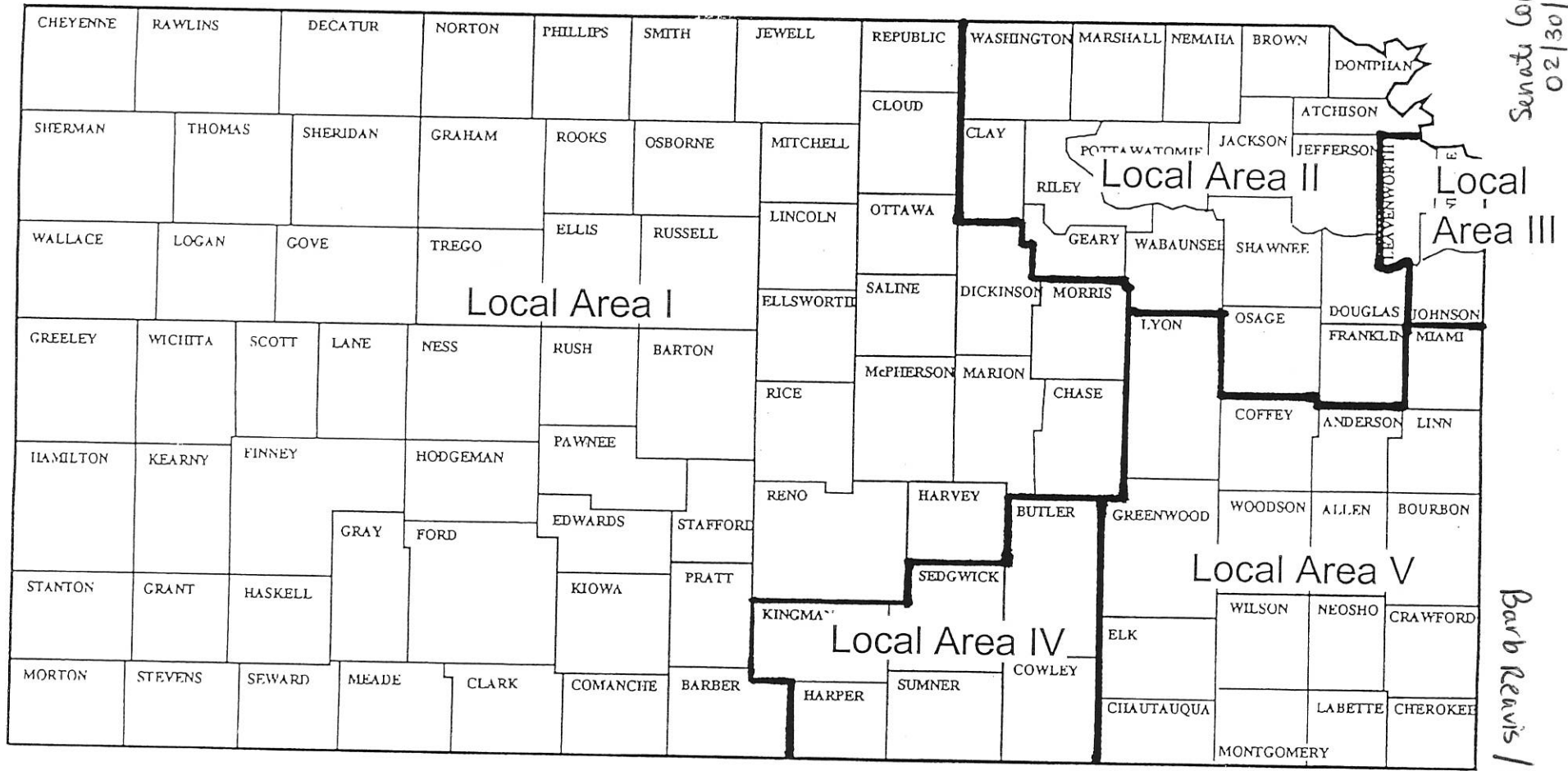
Performance measures are also in place for customer satisfaction of both participants and employers.

Success in statewide performance standards is considered meeting at least ⁸⁵~~80~~% of the state's standard. You will see from this chart that Kansas met, or exceeded, all of its most recent performance standards.

I will now turn back to Barb for wrap up remarks.

Thanks.

Local Workforce Investment Areas Workforce Investment Act of 1998



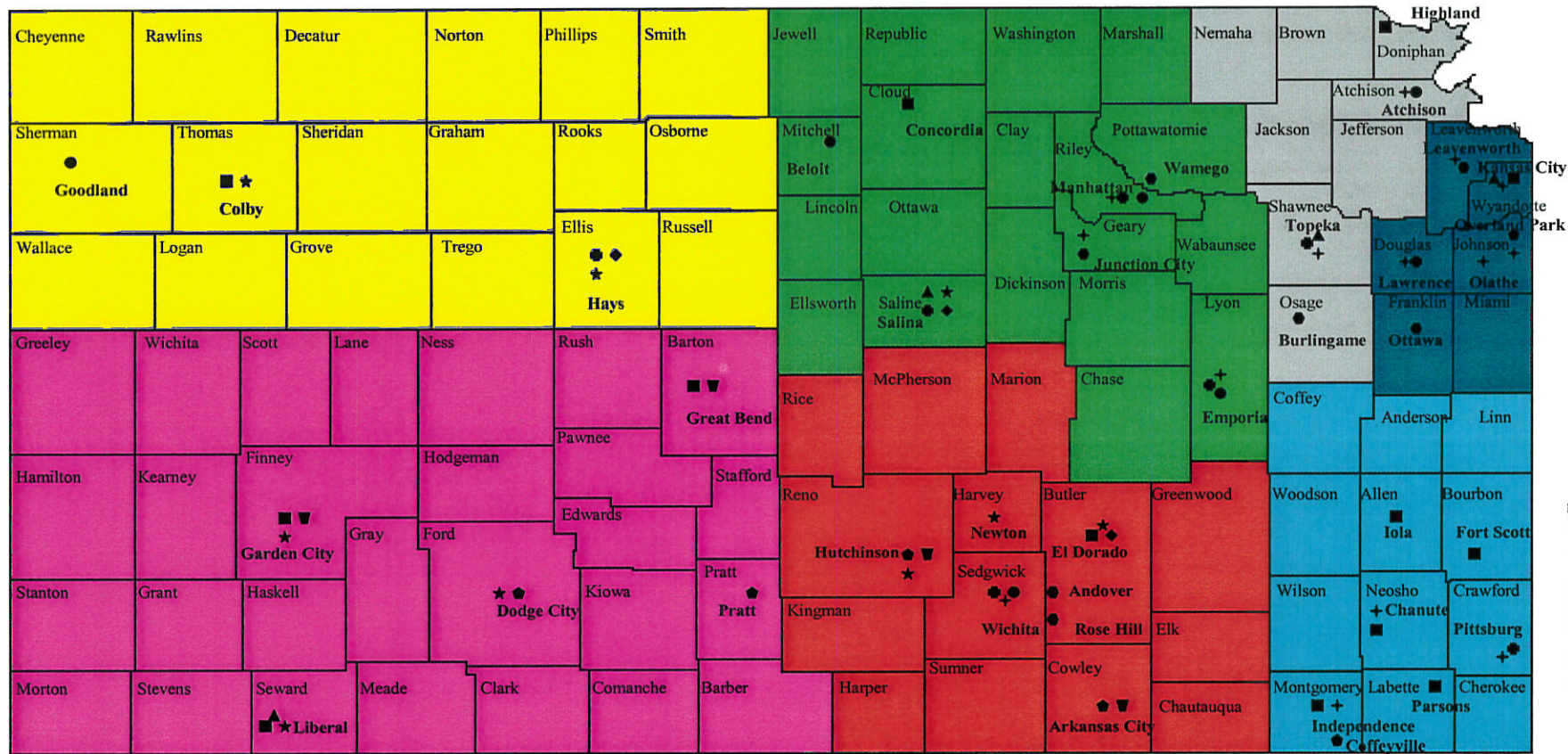
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WORKFORCE/ECONOMIC DEVELOPMENT REGIONS WITH HIGHER EDUCATION INSTITUTIONS, ONE-STOPS, AND KDHR WORKFORCE DEVELOPMENT CENTERS



- Regents Institution
- Community College
- Community College with attached Area Technical School
- Technical College
- Area Technical School
- Community College Satellite Campus
- One-Stop within a Community College
- One-Stop
- KDHR Workforce Development Center
- One-Stop/KDHR Workforce Development Center

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**Workforce Network of Kansas
Workforce Development Funding in State Agencies**

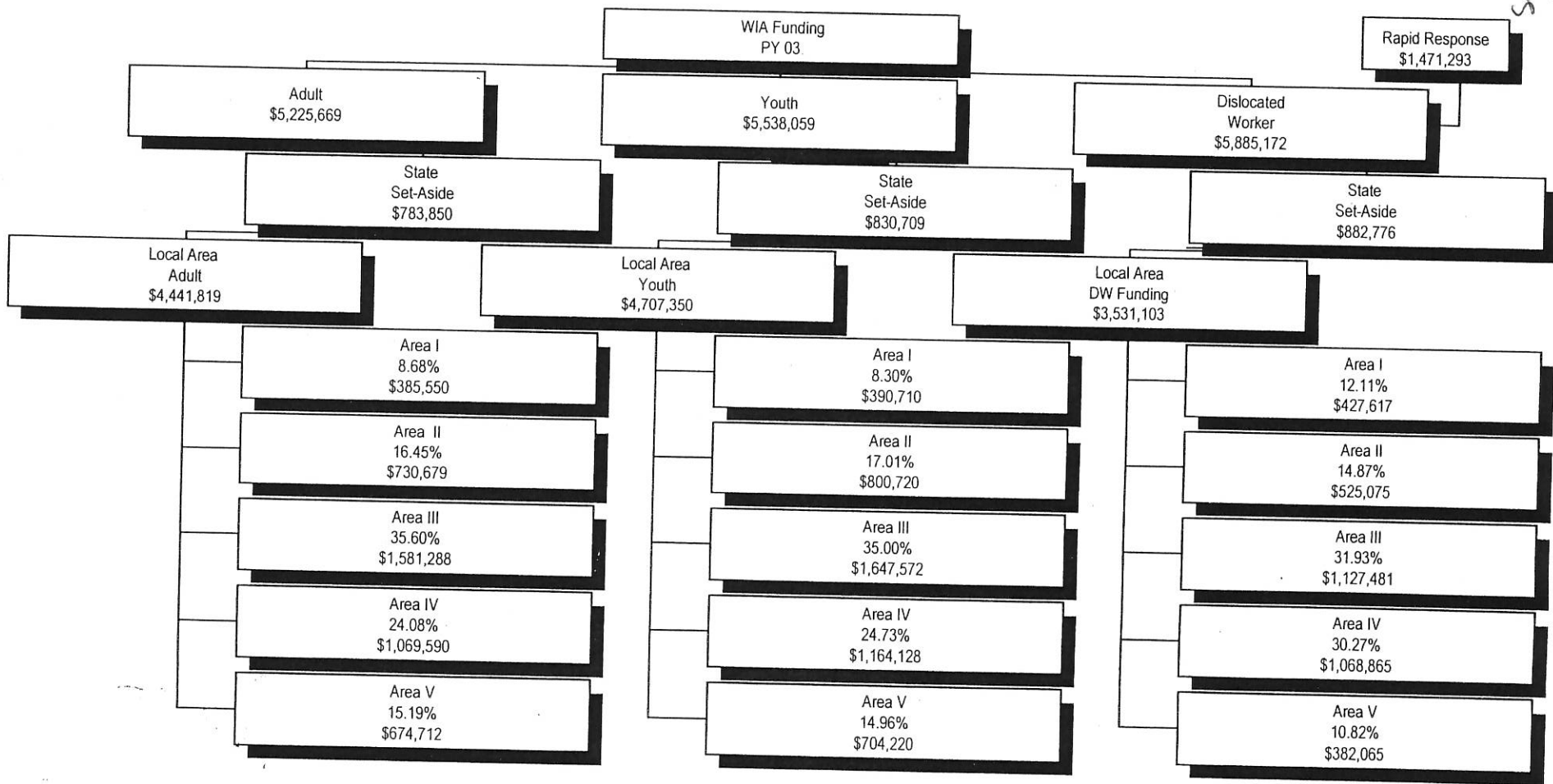
Barb Reavis / Linda ver

1	A Program Name	Workforce Development Funds					G Funding Streams
		B 2000	C 2001	D 2002	E 2003	F 2004	
3	Department of Human Resources						
4	Alien Labor Certification	206,498	158,714	161,108	160,000	160,000	US DOL
5	Apprenticeships	90,137	84,326	92,612	130,784	137,140	SGF
6	Disabled Veterans Outreach	620,457	597,000	728,000	728,000	728,000	US DOL
7	Job Service	6,662,331	6,564,128	6,671,747	6,595,682	6,600,000	US DOL
8	JTPA Job Service Reemployment	15,200,000	discontinued	384,490	394,124	390,000	US DOL
9	Kansas Occupational Info Coord. Comm.	142,923	0	0	0	0	US DOL
10	Local Veterans Employment	994,049	896,000	902,000	900,000	900,000	US DOL
11	NAFTA Transitional Adjustment	141,718	150,000	294,208	0	0	US DOL
12	Neighbor. Improve. and Youth Employment	102,181	100,000	100,000	69,838	0	SGF
13	Older Kansas Employment Program	243,437	230,358	230,358	229,430	229,430	SGF
14	Senior Community Services Employment	984,133	899,038	894,125	904,014	900,000	US DOL
15	Trade Adjustment Assistance (+ NAFTA)	582,492	900,000	1,725,000	3,800,000	3,500,000	US DOL
16	Welfare to Work	4,500,000	4,500,000	0	0	0	US DOL
17	Wheat Harvest Program	60,000	60,000	60,000	60,899	66,082	Penalty Fund
18	Workforce Investment Act	121,736	12,647,817	14,543,432	18,120,193	16,900,000	US DOL
19	Work Opportunity Tax Credit	102,043	135,857	150,429	150,000	150,000	US DOL
20							
21	Department Total	30,754,135	27,923,238	26,937,509	32,242,964	30,660,652	
22	Department of Corrections						
23	Offender Programs	3,218,820	3,904,549	3,968,782	2,900,342	2,200,000	US DOE
24							
25	Department Total	3,218,820	3,904,549	3,968,782	2,900,342	2,200,000	
26	Department of Commerce and Housing						
27	Community Service Block Grant	300,000	214,048	243,404	264,011	262,295	US HHS
28	IMPACT	7,100,000	11,000,000	11,000,085	10,910,138	11,409,853	KDFA
29	Kansas Industrial Retraining	1,800,000	1,800,000	1,800,000	1,850,000	1,593,183	EDIF
30	Kansas Industrial Training	1,800,000	1,800,000	1,800,000	1,850,000	1,593,183	EDIF
31	School to Careers	4,700,000	3,200,000	0	0	0	US DOL
32	Training Equipment Grants	277,500	277,500	277,500	200,000	0	EDIF
33							
34	Department Total	15,977,500	18,291,548	15,120,989	15,074,149	14,858,514	
35	Dept. of Social and Rehabilitation Services						
36	Food Stamps Employment & Training	22,040	10,675	8,993	19,800	23,040	USDA & SGF
37	KansasWorks Successful Families	7,061,343	7,612,656	8,046,247	10,687,599	12,042,333	US HHS
38	Vocational Rehabilitation	15,066,995	16,510,252	17,953,509	17,878,511	18,124,036	US DOE/DRS
39							
40	Department Total	22,150,378	24,133,583	26,008,749	28,585,910	30,189,409	
41	Department of Education						
42	Carl Perkins Leadership Funds	1,150,000	1,200,000	750,000	750,000	577,500	US DOE
43	Learn & Serve and Americorps	1,288,254	1,300,000	1,300,000	1,300,000	1,400,000	Corp Nat Serv
44	Secondary Vocational Education-Perkins	5,100,000	5,700,000	5,150,000	5,175,000	3,984,750	US DOE
45	Secondary Vocational Education	22,500,000	25,000,000	27,100,000	28,400,000	29,300,000	SGF
46							
47	Department Total	30,038,254	33,200,000	34,300,000	35,625,000	35,262,250	
48	Kansas Board of Regents						
49	Adult Basic Education	2,767,903	3,240,333	3,699,422	4,002,315	4,002,315	US DOE
50	Adult Basic Education	1,100,000	1,100,000	1,100,000	1,047,750	1,047,750	SGF
51	Postsecondary Vocational Education-Perkins	5,100,000	5,700,000	5,110,800	5,892,983	5,692,622	US DOE
52	Postsecondary Vocational Education			374,268	363,285	363,285	SGF
53	Tech Prep	1,399,839	1,198,635	1,146,711	1,146,711	0	US DOE
54	Technical Schools	??			31,957,528	31,957,528	
55	Community Colleges	??					
56	Universities	??					
57							
58	Department Total	10,367,742	11,238,968	11,431,201	44,410,572	43,063,500	
58	Total Work. Dev. Funds (federal/state funds)	112,506,829	118,691,886	117,767,230	158,838,937	156,234,325	

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Area WIA Allocations PY 03

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+
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State Performance
 Program Year 2002
 (July 1, 2002 through June 30, 2003)

*Barb Reavis +
 Linda Weaver*

Performance Outcome	Negotiated Performance Level	Actual Performance Level
Adult Measures		
Entered Employment Rate	73%	73.8%
Employment Retention Rate	80%	84.4%
Earnings Change in Six Month	\$2,000	\$2,115
Employment and Credential Rate	60%	68.8%
Dislocated Worker Measures		
Entered Employment Rate	78%	77.2%
Employment Retention Rate	87%	87.9%
Earnings Replacement Rate	80%	72.4%
Employment and Credential Rate	60%	67.3%
Older Youth (19-21) Measures		
Entered Employment Rate	67%	61.0%
Retention Rate	83%	82.5%
Earnings Change in Six Months	\$2,100	\$3,272
Credential Rate	50%	53.8%
Younger Youth (14-18) Measures		
Skill Attainment Rate	76%	76.9%
Diploma/Equivalent Attainment Rate	55%	53.6%
Retention Rate	65%	60.9%
Customer Satisfaction Measures		
Participant	70%	86.5%
Employer	66%	75.2%

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