

Approved: _____ Date

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 10:45 A.M. on April 3, 2007 at the RAIL of the Capitol.

All members were present except:

Laura Kelley- excused
Jean Shodorf- excused
Ruth Teichman- excused

Committee staff present:

Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

Chairperson Brownlee called the Committee's attention to the reappointment of Harry Helser as a member of the Employment Security Board of Review. She noted Mr. Helser had been a member for several years and the reappointment was for a term of 4 years and would expire on March 15, 2011.

Senator Emler made a motion to move the reappointment out favorably. Senator Jordan seconded. Motion carried.

Chairperson Brownlee turned the Committee's attention to two handouts:

- From Michael Hutfles representing Schlitterbahn regarding a question raised in the Senate Commerce Committee in March (Attachment 1)
- Information from Secretary Garner, Department of Labor regarding the cost of implementing automatic registration of Unemployment Insurance claimants. (Attachment 2)

Chairperson Brownlee adjourned the meeting at 10:55 a.m. with no further meetings scheduled for this session.

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March 27, 2007

Sen. Karin Brownlee
State Capitol
Room 121-E
Topeka, KS 66612

Dear Sen. Brownlee:

I have a response to your question raised in the Senate Commerce committee earlier this month. Your question had to do with a provision in the contract between the Unified Government and, my client, Schlitterbahn. The provision requires Schlitterbahn to make annual payments to a not-for-profit entity. This amount starts at \$150,000 and goes up in \$25,000 increments until the annual amount reaches \$250,000.

This provision was part of the negotiation between the UG and Schlitterbahn. As a standard practice, Schlitterbahn is a good community partner in every city where we have a facility. We wish to continue this partnership in Wyandotte County. This method was the preferred way to handle this issue by both parties. We felt it important for this to not be a payment to the General Operating Fund for the UG, the UG felt the same way. The UG will designate the not-for-profit. Expenditures will be made on public improvement projects in Wyandotte County.

STAR Bond proceeds will not be used in making this payment. All payments will be made out of Schlitterbahn Vacation Village operating funds. The first payment will be made in the year we open the resort facility.

My apologies in the delay in getting this response to you. If you have further questions, please give me a call.

Sincerely,



Mike Hutfles
Hutfles Government Relations, Inc.

Senate Commerce Committee
April 3, 2007
Attachment 1

27 March 2007

Hon. Karin Brownlee
Kansas State Senate
Capitol Bldg 121-E
Topeka, KS 66612

Hon. Nick Jordan
Kansas State Senate
Capitol Bldg 221-E
Topeka, KS 66612

Hon. Jim Barone
Kansas State Senate
Capitol Bldg 181-E
Topeka KS 66612

Re: Response to Question regarding Cost of Automatic Registration of UI Claimant
with Public Workforce Centers

Dear Senators:

Earlier this session while appearing before the Senate Commerce Committee, I was asked to compile information to respond to the following question: How much would it cost for the Kansas Department of Labor to implement automatic registration of UI claimants with the public workforce system at the Department of Commerce.

I must say that I have learned a number of surprising things as my staff went about compiling a response to this inquiry. Apparently, the Department of Labor currently sends data on every UI claimant to Commerce. It could be argued that we are technically complying with the requirement that resulted in the technical error rate.

That data is housed in a repository at commerce until it is needed to complete the registration of a UI claimant identified as needing services through our profiling model. If the UI claimant is never picked for profiling then the information is never used. I was surprised that this was never discovered by the auditors during their review of this issue.

Nevertheless, it is my understanding that the information we already provide to commerce can be used to create a registration for the claimant automatically. Attached is a rough estimate of costs for pursuing automatic registration. I stress the caveat that these are quickly put together estimates and the cost could change if the option is pursued.

I hope this information is helpful and responsive to the Committee's inquiry.

Very truly yours,


Jim Garner

Cc: Members of the Senate Commerce Committee

Senate Commerce Committee

April 3, 2007

Attachment 2-1

Integrated registration with automatic job matching – full fledged automation

When an applicant files their claim for unemployment, the userid and password for Commerce's Job Link web site would be automatically created in real time and given to the claimant. If an account already exists, then it is linked to the claimant.

To better meet the requirements of registration with the public workforce center, KDOL would need to capture additional information regarding the recent occupation of the claimant. This information would be fed into the O*NET "Autocoder" for assignment of an O*NET Standard Occupation Code (SOC) that matches job classification. To access this software, it would cost the agency an estimated \$250,000 to implement.

With the occupational title assigned to the claimant, it would then be possible for the Commerce Job Link system to perform job matching with their database of job orders. This information could then be routed back to the claimant via the UI weekly claims web site so that when the claimant would file their claim they would be presented with a list of any jobs for them to investigate.

Additionally the information could be made available to people filing weekly claims by phone in the IVR system. The system could read them a list of job orders and contact information for each order.

Our current mainframe operation and business processes would not make this feasible with out extensive modifications that would run in excess of \$1,000,000. If this option were to be pursued, it would be best integrated as part of the agency's Unemployment Modernization Project. The estimated cost of providing full registration with occupational coding and job matching if done as part of the UIM project would be approximately \$400,000. In addition, providing job matching information to non-internet claimants would require about \$100,000 in IVR setup costs. There would also be some ongoing operational costs for printings, mailings, and phone charges.

Mailings

The solution would require mailing additional information (account userid and password) to the claimant. The KDOL costs for sending one additional mailing to approximately 75,000 claimants would be

- About \$4,300 in additional printing costs
- About \$26,000 in mailing costs, depending on the bulk mailing rate.

There are also labor costs for the operation of printers and mailing equipment, but this could be absorbed as the work load would be spread out through out the year.