

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 p.m. on February 25, 2009, in Room 711 of the Docking State Office Building.

All members were present except:

Representative Geraldine Flaharty- excused
Representative Don Hill- excused
Representative Valdenia Winn- excused

Committee staff present:

Doug Taylor, Office of the Revisor of Statutes
Reed Holwegner, Kansas Legislative Research Department
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Jim Garner, Secretary, Department of Labor
Caleb Asher, Deputy Secretary, Workforce Development, Department of Commerce

The Chair introduced Secretary Garner who addressed the Committee regarding claims for employment benefits and what the Kansas Department of Labor was doing to handle situation. He also gave a report on how the Commerce and Labor Departments were working together during these difficult economic times. (Attachment 1-1).

The Secretary spoke of the action plan to address unemployment claims saying that the Department of Labor had a very large influx on claims in the past three months and it had overwhelmed their Unemployment Insurance Contact Center.

Saying that in January, leaders within KDOL met and developed a detailed Action Plan to address the situation, the Secretary gave an update on the progress they've had to date.

1. KDOL has hired new staff to support the UI Contact Center.
2. They have implemented extended hours of operation for their Contact Center.
3. They have established an Emergency Unemployment Compensation (EUC08) Processing Center to process all applications for extended benefits.
4. They are working on Web site and phone/IVR enhancements.

Secretary Garner told the Committee that since implementing these changes, the UI Contact Center has doubled the number of calls it can handle n a day and the average wait time has been cut in half.

Questions and answers followed.

Next to speak was Caleb Asher, who gave examples of how the Departments of Labor and Commerce worked together in the area of unemployment. (Attachment 1-2).

1. Rapid Response Teams - a service directed at assisting both companies and workers who are impacted by a layoff or business closing.
2. Automatic Registration of UI Claimants with the KANSASWORKS labor exchange/job posting system - a project currently in development and they plan to implement in in the Spring..
3. Reemployment Services Grant opportunity - the recently enacted American Recovery and Reinvestment Act that provides up to 4250 million to the states for Reemployment Services grants.
4. Labor Market Information MOU - an on-going Memorandum of Understanding between the two agencies by which KDOL's Labor Market Information Services division provides important data about the workforce and labor market to the Department of Commerce.
5. Communications with the Workforce Centers - meetings that have been very helpful in coordinating responses to the current economic crisis.

CONTINUATION SHEET

Minutes of the House Economic Development And Tourism Committee at 3:30 p.m. on February 25, 2009, in Room 711 of the Docking State Office Building.

Questions and answers followed.

Present in the audience was David Brennan of the Commerce Department who also answered questions of the Committee.

A memo from Jeff Conway, Legislative Liaison of the Department of Commerce, was distributed in response to questions asked of then Commerce Deputy Secretary Rae Anne Davis. (Attachment 2).

Also, at Representative Owen Donohoe's request, a list of lost productions by the Kansas Film Commission was passed out. (Attachment 3).

The meeting was adjourned at 4:25 p.m. The next meeting is scheduled for Monday, March 2, 2009.

**Testimony before the
House Economic Development & Tourism Committee
Jim Garner, Secretary, Kansas Department of Labor
Caleb Asher, Deputy Secretary, Kansas Department of Commerce
Wednesday, 25 February 2009**

Chairwoman Gordon and members of the Committee:

Thank you for the invitation to appear and share information about two areas you have identified: (1) An update on claims for employment benefits and what the Kansas Department of Labor is doing to handle the situation; and (2) A report on how the Department of Commerce and the Department of Labor are working together during these difficult economic times.

Action Plan to Address Unemployment Claims

KDOL has had a very large influx on claims for unemployment benefits in the past three months and it has overwhelmed our Unemployment Insurance Contact Center.

In the first four weeks of 2009, there were 23,386 first time claims for unemployment insurance benefits and 159,543 continued claims. During that same time period in 2008, these numbers were 12,480 initial claims and 88,359 continued claims. As you can see, there has been a significant increase in the demand for unemployment benefits. Also in 2008, the US Congress created a new Emergency Unemployment Compensation (EUC) program providing up to 20 additional weeks of benefits to claimants who exhaust their regular UI benefits and who qualify for the new EUC program. For the first four weeks of this year, we processed 19,091 applications for extended unemployment benefits and issued 152,224 payments in initial and continued extended claims.

In January, leaders within KDOL met and developed a detailed Action Plan to address the situation. Please allow me to share an update on parts of the Action Plan and the progress we have had to date.

1. **KDOL has hired new staff to support the UI Contact Center.** In January, KDOL hired 20 new Customer Service Representatives. These new hires are in addition to the 10 new staff members that started working in the Contact Center in December. These new hires are currently on the phone, answering questions and taking claims. In addition, we have recruited a few retired KDOL employees to help us in this emergency.
2. **Implementing extended hours of operation for KDOL's Contact Center.** Starting on Monday, February 9th, KDOL's Contact Center is now operating and available to take calls on weekdays from 7 a.m. to 6:30 p.m. and on Saturdays from 8 a.m. to 4:00 p.m. Claimants can also file their initial and weekly claims online at www.uibenefits.dol.ks.gov Monday through Saturday, 7 a.m. to 7 p.m. I am extremely proud of all of our Contact Center employees who are stepping up to help in this crisis and who are working longer hours each week. This is a temporary change in hours to deal with the current influx of claims.

Economic Development & Tourism

Date: 2-25-09

Attachment # 1-1

3. **Establishment of an Emergency Unemployment Compensation (EUC08) Processing Center to process all applications for extended benefits.** KDOL pulled employees throughout the agency who have past UI Benefits experience and trained them to handle extended benefit applications. The backlog in EUC applications has been eliminated within 3 weeks and we are currently up-to-date. This has reduced the number of calls to the Contact Center from individuals inquiring about the status of their extended benefit claim and also better allows us to handle in a timely manner new applications for these extended benefits. The EUC program's deadline was recently extended from March 31, 2009, to December 31, 2009.

4. **We are working on Web site and phone /IVR enhancements.** KDOL has been making improvements to the online filing process. Previously a claimant could only change their address information by calling the Contact Center. Now they can change it on the KDOL Web site, without calling the UI Contact Center. And, we recently rolled out another new feature to allow claimants to retrieve forgotten usernames, passwords or PIN numbers without calling the Contact Center. We also added more queues in the phone system. The new queues handle more of the simpler calls concerning status of extended benefit applications, debit card questions and information on 1099s.

Since implementing these changes, the UI Contact Center has doubled the number of calls it can handle in a day and average wait time has been cut in half. We will be monitoring the progress of each Action Plan items and evaluating how it's working. We will make adjustments and continue to look at new ways to help our unemployed claimants.

The Departments of Commerce and Labor Working Together

The Kansas Department of Labor and the Kansas Department of Commerce, along with their partners in the Workforce Services system serve many of the same individuals. Here are some examples of the two agencies' efforts to work together in this area:

1. **Rapid Response Teams.** Rapid Response is a service directed at assisting both companies and workers who are impacted by a layoff or business closing. Through a Worker Adjustment and Retraining Notification (WARN), KDOL and Commerce coordinate the identification of layoffs and exchange information on events so Workforce Investment Act (WIA), labor exchange (Wagner-Peyser) and Unemployment Insurance (UI) details are provided.

Once notified, the two agencies work quickly to coordinate services for the company and its impacted employees. Information is made available at the company's location on how to file for UI claims and access retraining and re-employment services through the Workforce Centers. In some cases, the Mobile Workforce Center is used on site to assist laid off workers in filing for claims and providing testing or training services.

These "Dislocated Workers", whose skills require updating may receive training/retraining services directed at returning them to gainful employment. KDOL and Commerce coordinate

this effort to ensure individuals who are enrolled in training will be able to continue to draw UI while they complete their training program.

2. Automatic Registration of UI Claimants with the KANSASWORKS labor exchange/job posting system. The two agencies are jointly working on the creation of auto-registration of UI claimants with the Department of Commerce's KANSASWORKS labor exchange system. This project will set up a system by which all UI claimants will have an account automatically established with the KANSASWORKS system at Commerce. These claimants will be automatically registered to use these employment services. This project is currently in development and we plan to implement it in the Spring. A second phase of the project will allow UI claimants that file for benefits online to receive electronic notices of job openings in their region with O-Net codes similar to their past employment experience.

3. Reemployment Services Grant opportunity. The recently enacted American Recovery and Reinvestment Act provides up to \$250 million to the states for Reemployment Services grants. The two agencies are working together to develop appropriate grant applications through this offering to better connect unemployed individuals with the reemployment services offered through the Workforce Centers.

4. Labor Market Information MOU. There is an on-going Memorandum of Understanding between the two agencies by which KDOL's Labor Market Information Services division provides important data about the workforce and labor market to the Department of Commerce. Currently KDOL is working with the KANSASWORKS State Board and Local Workforce Investment Boards (LWIBs) to identify current and future high demand jobs using data captured and analyzed by KDOL to assist LWIBs in targeting training dollars for these occupations.

5. Communications with the Workforce Centers. The agencies have been communicating with the Executive Directors of the LWIBs to share information on challenges and new developments as we serve many of the same customers. These meetings have been very helpful in coordinating responses to the current economic crisis.

Conclusion

Thank you again for giving us an opportunity to share this information with you. We are glad to take any questions you may have of us.

MEMO



DATE: February 19, 2009
TO: Chairwoman Lana Gordon,
House Economic Development and Tourism
Committee
FROM: Jeff Conway, Legislative Liaison
Kansas Department of Commerce
CC:
RE: Response to questions

1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354
Phone: (785) 296-3481
TTY: (785) 296-3487
Fax: (785) 296-5055
E-mail: admin@kansascommerce.com
KansasCommerce.com

On February 9, 2009, Deputy Secretary Rae Anne Davis appeared before the House Economic Development and Tourism Committee and presented an overview of the Workforce Development Division of the Department of Commerce.

At that time, there were a few questions asked by committee members to which Deputy Secretary Davis offered to provide written responses at a later date. Please find some materials in response to those questions that are attachments to this memo.

1. A question regarding veterans' services and a comparison to prior years: Attachment A
2. A question regarding the Jabara project and an explanation of expenditures: Attachment B
3. A question regarding performance outcomes of the Older Kansans Employment Program (OKEP). Attachment C
4. A question regarding individuals who are identified as likely to exhaust their unemployment insurance benefits. Attachment D

I hope you and the committee find these materials helpful, and I would be happy to respond to any additional questions. Thank you.

Economic Development & Tourism
Date: 2-25-09
Attachment # 2-1

A

From: Wayne A. Myers
Sent: Thursday, February 12, 2009 8:25 AM
To: Linda J. Weaver
Subject: Decrease in Veteran Registrations

There are many reasons why the number of veterans registering for labor exchange services has decreased.

1. **Retention** – During 2007 and 2008, all branches of the military were on stop-loss because a push for retention was in force. This reduced the number of service members exiting the military and entering the job market.
2. **Reserve and Guard** – The majority of returning veterans from Operation Endurance Freedom and Operation Iraq Freedom are Army Reservist or National Guard members who have job attachments prior to deployment. For the most part, when they return from active duty they return to their previous employer and do not enter the job market.
3. **Attending school** – A large number of younger veterans (18-24 years of age) opt to attend school rather than enter the job market.
4. **Availability of services** – At the close of 1995, more than 26,000 veterans were registered in more than 40 Job Service Centers throughout the state. Currently we have 26 offices and not every one of them has a veterans representative. Veterans representatives play an important role in providing outreach to veterans .
5. **State Civil Service jobs** – A large number of veterans who would normally register with the Workforce Center to seek assistance in securing a state civil service position have decided against this type of employment due to the diluting of veteran preference. In previous years, the state had the 5 and 10 point system providing preference for veterans. Recently, this system was changed taking away veteran preference for those who did not serve between certain periods.
6. **Lack of incentive to stay or relocate to Kansas** – Many states offer veterans college tuition assistance or special consideration in state civil service positions that relate to their military training. Some states give a one-time special allotment or income tax credit for recently separated veterans. Kansas offers limited benefits to veterans and these are not widely publicized. As a result, recently separated veterans often seek employment in other states.

Veterans Services

ETA 9002 B and D

Cumulative four quarters ending	3/31/2008	6/30/2008	9/30/2008	12/31/2008	Total/Avg
Total veterans and eligible persons	8,219	7,807	7,704	8,167	31,897
Provided staff-assisted services	8,073	7,643	5,053	8,066	28,835
Entered employment rate	72.19%	72.92%	72.71%	72.94%	72.69%
Retention rate at 6 months	85.55%	85.93%	85.30%	85.23%	85.50%
Annual average earnings	\$13,829	\$13,420	\$13,491	\$13,509	\$13,562

Cumulative four quarters ending	3/31/2007	6/30/2007	9/30/2007	12/31/2007	Total/Avg
Total veterans and eligible persons	10,235	9,489	8,906	8,265	36,895
Provided staff-assisted services	10,119	9,305	8,726	8,098	36,248
Entered employment rate	69.95%	70.83%	71.32%	72.22%	71.08%
Retention rate at 6 months	84.67%	84.50%	85.26%	85.69%	85.03%
Annual average earnings	\$13,922	\$14,140	\$12,872	\$13,002	\$13,484

	7/1/06 - 6/30/07		7/1/07 - 6/30/08		7/1/08 - 6/30/09	
	PY06		PY07		PY08	As of
One-Stop Services (9002 D)	Goal	Actual	Goal	Actual	Goal	12/31/08
Vet Entered Employment Rate (EER)	67%	71%	67%	93%	71%	73%
Vet Employment Retention Rate (ERR)	83%	85%	83%	98%	84%	85%
Disabled Veterans EER	69%	69%	69%	70%	69%	69%
Disabled Veterans ERR	83%	85%	83%	85%	85%	83%
DVOP (VETS 200 A)						
Disabled Veterans EER following intensive	69%	88%	69%	88%	70%	74%
Disabled Veterans ERR following intensive	83%	89%	83%	91%	84%	83%
LVER (VETS 9002 B)						
Rec Sep Vet EER following staff-assisted	75%	75%	75%	75%	88%	89%
Rec Sep Vet ERR following staff assisted	84%	85%	84%	87%	88%	87%

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A Brief Overview of the “Jabara Project” in Wichita

The Department of Commerce has presented an award of \$2 million to the Wichita Area Technical College (WATC).

WATC, with the support of Sedgwick County, is to design, construct, and equip a state-of-the-art aviation technology center to sustain and expand the aviation industry, and serve as a resource clearinghouse for K-12 and postsecondary teachers and students for educational programming supporting the aviation industry in Kansas.

The size of the aviation technology center will be larger than 100,000 square feet and WATC anticipates training up to 5,150 participants per year (when the facility is complete and programs are fully functional) through company training, customized incumbent worker training technology certificates and AAS degrees. The agreement entered into by Commerce and WATC specifies that the WATC will use grant funds for the sole purpose of building and equipping a world-class facility for training aviation technicians.

The total cost of the project will be approximately \$18 million. To date, Commerce has encumbered \$2 million and \$244,425 has been paid out. WATC will provide matching funds of \$16 million.

SIGNIFICANT OKEP PROGRAM ACHIEVEMENTS



NORTH CENTRAL/FLINT HILLS AREA AGENCY ON AGING

Older Kansans Employment Program

401 Houston Street

Manhattan, Kansas 66502

Funding Amount: \$75,168

Expended/Obligated: 100 percent of budget

Counties served: Chase, Clay, Cloud, Dickinson, Ellsworth, Geary, Jewell, Lincoln, Lyon, Marion, Mitchell, Morris, Ottawa, Pottawatomie, Republic, Riley, Saline and Wabaunsee

Total Participant Goal: 610

Actual Outcome: 118%

Total Placement Goal: 350

Actual Outcome: 95%

SENIOR SERVICES, INC. OF WICHITA

Kansas Elks Training Center for the Handicapped (KETCH)

Senior Employment Program

200 South Walnut Street

Wichita, Kansas 67213

Funding Amount: \$59,248

Expended/Obligated: 100 percent of budget

Serving: Reno and Sedgwick Counties

Total Participant Goal: 500

Actual Outcome: 170%

Total Placement Goal: 350

Actual Outcome: 136%

SOUTHEAST KANSAS AREA AGENCY ON AGING

Older Workers Project

1 West Ash Street, P.O. Box J

Chanute, Kansas 66720

Funding Amount: \$77,473

Expended/Obligated: 100 percent of budget


Counties Served: Allen, Anderson, Atchison, Bourbon, Cherokee, Crawford, Coffey, Elk, Greenwood, Johnson, Labette, Leavenworth, Linn, Miami, Montgomery, Neosho, Wilson, Woodson and Wyandotte

Total Participant Goal: 400

Actual Outcome: 100%

Total Placement Goal: 280

Actual Outcome: 101%

- 
- Claimants most in need of reemployment services are identified through the unemployment insurance Worker Profiling Reemployment System (WPRS)
 - Data elements are collected during the initial claims process and entered into the WPRS database taking into account:
 1. Industry of last occupation;
 2. Tenure of last occupation;
 3. Wages earned in last occupation;
 4. UI rate in county of residence; and
 5. Excess UI rate in county of residence.
 - The WPRS database assigns a score to each claimant based on probability of exhausting benefits prior to obtaining employment.
 - Claimants with greater than 50 percent probability are entered into the selection “pool/queue”.
 - Workforce Center staff schedule claimants from the pool/queue for the following staff-assisted reemployment services:
 1. Work registration – Staff assistance to register for work.
 2. Assessment Orientation – Introduction to the Career Center
 3. Assessment Interview - Initial assessment of skill level, aptitude, ability and supportive service needs.
 4. Employment Plan – Written Employment Plan matched to the claimant’s needs.

Statewide Number in Selection "Pool/Queue"

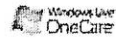
Reemployment Services Report Summary

Quarter Ending		Quarter Ending		Increase
12/31/2007	1,611	12/31/2008	2,456	845
9/30/2007	1,817	9/30/2008	2,137	320
6/30/2007	1,194	6/30/2008	1,838	644
3/31/2007	1,725	3/31/2008	1,774	49
Total	6,347	Total	8,205	1,858

Kansas Film Commission - Lost productions

Film

From: **Peter S. Jasso** (pjasso@kansascommerce.com)
Sent: Tue 2/24/09 2:15 PM
To: 'lanagordon@hotmail.com' (lanagordon@hotmail.com)
Attachments:
Lost Productions 02-09.xls (10.9 KB)



Hello Rep. Gordon,

Per Rep. Donohoe's request, attached is a list of lost productions since 2002.

A few notes on the list:

- The * next to some titles indicates that only a significant portion of the film would have shot in Kansas
- This list includes films that had expressed interest to our office in shooting in Kansas
- The "Local Revenue" column assumes that most productions spend about 50% of their budget on location
- I listed the TV series "Jericho" because they expressed interest in filming in the state. The \$2 million figure is the budget per episode
- The two films listed after the Total are films that are in development but are set in Kansas. While their are no budget figures at this point, both are studio films that should be in the \$20 million+ range.
- In addition to this list, I would add that I receive several calls (around 4) a year from major studios and production companies looking for locations for films that aren't necessarily set in Kansas. Because their first questions is about incentives, the conversation usually doesn't get to a point where I can get a project name or budget figure. However, you can assume a minimum of \$15-20 million budget on these projects.
- In addition, I would also add that we have several Kansas natives that have expressed an interest in shooting in Kansas if the incentive was fixed. These include Alex Graves (West Wing, Fringe), Mike Robe (directs several major TV movies a year), and Doug Curtis (Cellular, Shoot 'Em Up) amongst others. The budgets on these project range from \$3 million to \$20 million +

Let me know if you need anything else,

Peter Jasso
Director
Kansas Film Commission
1000 SW Jackson St., Suite 100; Topeka, KS 66612
785.296.2178
www.filmkansas.com

Economic Development & Tourism

Date: 2-25-09

Attachment # 3-1

	<u>Title</u>	<u>Budget</u>
	Mr. 3000	30,000,000
	Little House on the Prairie (mini-series)	10,000,000
	Legally Blonde 2	45,000,000
*	The Hulk	120,000,000
	Ice Harvest	16,000,000
	In Cold Blood (tv)	6,000,000
	Infamous	13,000,000
	Capote	7,000,000
	Mysterious Skin	10,000,000
	The Lookout	16,000,000
	The Hunt for the BTK Killer (mini-series)	10,000,000
*	Jericho (TV series)	2,000,000
*	My Own Love Song	20,000,000
	The Craziest	30,000,000
*	The City of Your Final Destination	20,000,000
	Sunflower Kid	5,000,000
*	Amelia	
	Total	360,000,000
	Factor X	
	Wichita	
	Boone's Lick	

* = a significant portion would have been shot in Kansas

Local revenue

15,000,000
5,000,000
22,500,000
60,000,000
8,000,000
3,000,000
6,500,000
3,500,000
5,000,000
8,000,000
5,000,000
1,000,000
10,000,000
15,000,000
10,000,000
2,500,000

180,000,000