

Approved: \_\_\_\_\_  
Date

## MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:03 a.m. on January 29, 2009, in Room 784 of the Docking State Office Building.

All members were present except:

Representative John Grange- excused

Committee staff present:

Rena Jefferies, Office of the Revisor of Statutes

Daniel Yoza, Office of the Revisor of Statutes

Jerry Donaldson, Kansas Legislative Research Department

Dennis Hodgins, Kansas Legislative Research Department

Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Steve Kelly, Department of Commerce

Others attending:

See attached list.

The meeting was called to order at 9:03 a.m. by the Chairman. There were no bill introductions or announcements from the Committee. Representative Bowers introduced her page from Concordia, Kaylee Conwell.

Steve Kelly, Department of Commerce passed out his Agency Overview and Update (Attachment 1). He spoke about the Business Development Division, the Rural Development Division, Workforce Services, Travel & Tourism and Marketing and Operations. Representative Brunk asked Mr. Kelly to explain the meaning of KIT and KIR. He said that KIT stands for Kansas Industrial Training Program and KIR stands for Kansas Industrial Retraining Program.

Representative Hermanson asked what would happen if a business in which the Department has invested funds fails. Mr. Kelly said that in most cases there were assets that could be recovered but if not it was covered by two percent of the withholding that had been paid. This is a rare occurrence.

Representative Brunk asked about the effectiveness of the Workforce Centers. Mr. Kelly did not have the hard numbers with him but said that there were a lot of ways to search for jobs but they still see a considerable amount of people flow through the Centers. There is a certain portion of people who are not comfortable with computers and would rather use the Workforce Centers to see a person or council with someone. There is also an extensive web site available.

Representative Gatewood asked what the statistics were for the Travel Information Centers. Mr. Kelly did not have the statistics with him but they are available. He indicated that the volume of visitors was about 130,000.

Representative Ruiz asked where Kansas ranks in tourism and why the Tourism Center coming into Topeka was closed several years back. Mr. Kelly said Kansas was ranked 40 and below. The Tourism Center was closed because the visitor level was lower than it was in the other Centers and they could not keep it open because of budgetary reasons.

Representative Gatewood asked if there were any statistics available to determine the impact of the Tourism program. Mr. Kelly said that the information is tracked but that the program is so new that there might not be enough data available to make a good judgment of it's effectiveness.

Representative Pottorff asked how much duplication there was between the Department of Commerce programs and KTEC or the Kansas Bioscience Authority. Mr. Kelly said that there might be some with the Bioscience Authority because there are some projects they have cooperated on but very little with KTEC.

Representative Brunk asked if there was a method of evaluating the programs that the Department supports to determine if they are still doing the job they were originally intended to do. Mr. Kelly indicated that there

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Minutes of the House Commerce And Labor Committee at 9:03 a.m. on January 29, 2009, in Room 784 of the Docking State Office Building.

was an ongoing process of evaluating programs and there are programs that have been discontinued in the past. The Legislative Post Audit has identified the core 80 percent of essential core programs, the 10 percent that are nice and provide significant benefit that the others do not and the 10 percent that would have to go if reductions were mandated.

Representative Brunk asked about the Department working with other Agencies. Particularly a couple years ago there was a problem with the Department of Labor paying out unemployment benefits to people who were not registering with the Department of Commerce Workforce Services. Mr. Kelly said that the software had been updated and the program was up and running. It has all been corrected.

Mr. Kelly continued by speaking about operations in light of the economic situation. The first indication that there were problems was in the financial sector that began to get soft. We continued to have pretty good strength in other sectors. Where we see some fall off from year to year is with the activity within the state in the number of projects and potential jobs. It is really slowing down. We are not at the bottom yet. Compared to other states our unemployment rate is still fairly low. We are up about a point or a point and one half above where we were when things were going well. We are still hearing from many counties that continue to have shortages in the number of workers available.

Representative Brunk asked who we would talk to about workforce training. Mr. Kelly recommended Kathy Hund, Director of Workforce Training and Education.

The Chairman reminded the Committee about the Resolution proclaiming February 3, 2009, as Kansas Human Resource Day (Attachment 2). The consensus of the Committee was to approve the Resolution.

The next meeting is scheduled for February 3, 2009.

The meeting was adjourned at 10:30 a.m.