

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 20, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee:

Representative Dennis McKinney
Dr. Wojciecowski, President, Pratt Community
College
Candy Shively, Deputy Secretary, SRS
Jim Edward, KCCI
Jack Wempe, Board of Regents
Duane Dunn, President Kansas Assoc. Of
Technical Schools and Colleges
Steve Jacks, Director Employment and Training

Others attending:

See attached list

Hearings on HB 2872—Workforce development loan program and fund.

Representative Dennis McKinney, 108th District, testified in support of **HB 2872** (Attachment 1). The bill would provide loans to students who attend technical schools, vocational schools and community colleges. Upon completion of their program, the student may have the loan forgiven over an 8-year period by living and working in Kansas. **HB 2872** would encourage students to enter the vocational fields and fill job skills which are in demand in Kansas. Funding would be provided by federal money redirected from State Agencies.

Dr. Wojciecowski, President, Pratt Community College, testified in support of **HB 2872** (Attachment 2). A significant barrier for development of a skilled workforce in Kansas is the cost of tuition, fees and other training needs. The values of **HB 2872** is a low interest-bearing loan that would provide the necessary training to enter into a reasonably high paying job, keeping skilled people working in Kansas and to attract additional business and industry to the state.

Candy Shively, Deputy Secretary, SRS, testified in support of **HB 2872** (Attachment 3) stating individuals who receive post-secondary education and training earn better wages and are less apt to become welfare dependent. The SRS department is concerned about the proposed annual transfer of \$500,000 in federal funds from SRS to the workforce development loan fund. SRS suggested on the bill dealing with foster care that an amendment be made regarding foster care youth and that a portion of the money would be designated to them. Some foster care children leave foster care prior to their 18th birthday and have either graduated from high school or obtained their GED and this fund would be a good mechanism for them as well as a transitional step.

Chairperson Brownlee asked Candy Shively if SRS tracked the results of the TANF workforce development dollars. Candy Shively stated SRS tracks mainly outputs because it is primarily what is written into the federal legislation. SRS tracks the number of individuals that enter employment as well as the number of individuals who might complete different types of education or training components. Since the beginning of welfare reform, there have been approximately 60,000 people who have gone to work.

Chairperson Brownlee stated when you say 60,000 people have gone to work could that number be put into context, what percent of those received TANF dollars?

Candy Shively stated as of today there are approximately 13,000 families that are receiving TANF cash assistance.

CONTINUATION SHEET

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Chairperson Brownlee requested Candy Shively to provide information to the committee of what percentage of people are going to work and what percent are staying in a workforce setting. Chairperson Brownlee commented when the state spends TANF dollars for job training and employment services, are people working in Kansas as a result of the expenditure of the money?

Chairperson Brownlee also requested that Candy Shively provide the committee with some reasonable amendments to utilize the TANF workforce dollars **HB 2872**. Candy Shively stated the fear with that is the creation of a new population and carving off money that was already intended to be spent for other purposes. Chairperson Brownlee responded if it allows the state to have better results from the use of the money, then let's consider it..

Jim Edwards, KCCI, testified in support of **HB 2872** (Attachment 4) stating through the use of an educational loan program, it would encourage Kansas residents who have not selected an occupation to strongly consider a technical program. The bill would also provide a way for those laid off to gain skills needed to reenter the workforce.

Jack Wempe, Kansas Board of Regents, testified in support of **HB 2872** (Attachment 5)

Duane Dunn, President of Manhattan Area Technical College, testified in support of **HB 2872** stating the bill would provide loans to individuals to complete an educational program for employment in technically related careers. It encourages recipients of the loans to work in Kansas and builds a qualified technical workforce in the state (Attachment 6).

Steve Jacks, Director of Employment and Training, Kansas Department of Human Resources, testified in opposition to **HB 2872** stating it appeared to the agency's legal and technical staff that it would violate federal statutes on the specific use of the Federal Department of Labor dollars. All of the federal programs must be administered according to federal guidelines and for the explicit purposes as outlined in the legislation (Attachment 7).

There being no further conferees wishing to testify, the hearing on **HB 2872** was closed.

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled Thursday, March 21, 2002 at 8:30 a.m.