

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:30 a.m. on February 5, 2004 in Room 241-N of the Capitol.

All members were present except:

Representative Broderick Henderson- excused
Representative Doug Patterson- excused
Representative Kevin Yoder- excused
Representative Rick Rehorn- absent
Representative Rob Boyer- excused

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department
Michele Alishaki, Legislative Research Department
Norm Furse, Revisor of Statutes
Renaë Jefferies, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: Steve Kelly, Kansas Department of Commerce'
James Garner, Secretary, Kansas Department of Human Resources
Rocky Nichols, Kansas Protection and Advocacy
Martha Gabehart, Kansas Commission on Disabilities
Michael Byington, Kansas Association for the Blind and Visually Impaired

Others attending:

See Attached List.

The Chairman opened the hearing on **ERO - 31 Executive reorganization of Kansas Department of Human Resources.**

Steve Kelly, Department of Commerce and Housing, a proponent to **ERO 31**, which was issued January 14, 2004, stated, based on a clear understanding that workforce development is economic development.

The **ERO** calls for the transfer of employment and training division and all workforce development programs from Kansas Department of Human Resources (KDHR) to the Department of Commerce.

The objective is to promote a workforce development system in Kansas that: (1) Produce qualified employees for any employer in any part of the state. (2) Is results oriented with a measurable return on investment. (3) Creates a single point of contact for businesses. (4) Ensures all Kansans, including persons with disabilities, have access to meaningful employment opportunities. (5) Strengthens Kansas' educational/training infrastructure. (6) Creates a seamless, market driven system.

Several recommendations have been consistently made in the studies of the workforce development center. Workforce training should be consolidated. Workforce training should be based on employers' requirements. Community college service areas should be reconstructed. Establish a state-wide body to provide oversight and management. Create local and regional workforce development boards. Create a seamless system. The Department of Commerce should act as the liaison to businesses for training programs.

The existing barriers to a comprehensive integrated workforce development system are the following: The Board of Regents, KDHR, Commerce, community colleges, technical colleges/schools, five local workforce investment boards (LWIBs) and the workforce network of Kansas board all have responsibility for some facet of training.

Altogether, forty-four entities have some responsibility. Representatives of these parties have met together only one time, May 16, 2003, to discuss workforce development. Several large Chambers of Commerce also attended and all urged reform of the system.

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There is no single source to integrate programs, evaluate quality and results, eliminate duplication and drive cost efficiency. The **ERO**, steps already taken and new legislation creating “Kansas First” moves Kansas toward a seamless, market driven system. “Kansas First” model is based on large part of South Carolina and Georgia that are some of the most effective in the United States. Under the model, businesses would contact “Kansas First” and commerce and the regents would select a community college or technical college/school to provide training. The hope is to have state of the art first class training so Kansas can provide quality workers. Commerce wants to be more involved in the development of the curriculum. The programs are designed to meet the needs of the employers. There is a program at the Johnson County Community College that is one of the best in the country and a hydraulics program that students come to from all over the country. The focus is on training people that companies will recognize as the best trained in the country and they would come to get the employee that are needed (Attachment 1).

Secretary Jim Garner, Kansas Department of Human Resources (KDHR), testified in support of **ERO 31**. The **ERO** would transfer the Kansas Department of Human Resources’ Division of Employment and Training to the Department of Commerce where it will be known as the Division of Workforce Development. The **ERO** also moves the Kansas Commission on Disability Concerns to Commerce and renames KDHR the Kansas Department of Labor.

Consolidating workforce development and job training services within the Department of Commerce is a critical part of the Governor’s Economic Revitalization Plan. It is a clear recommendation that arose from the Prosperity Summits held across Kansas this past summer and fall. The reasoning behind the consolidation of these services is to marry the demands of business and industry for a trained workforce with the needs of underemployed career seekers for advantageous and meaningful job training opportunities. By moving in a coordinated manner, the job training programs and the demands of business can better direct education providers, whether vocational technical colleges, community colleges, universities or propriety schools, to be responsive to these needs (Attachment 2).

Rocky Nichols, Kansas Advocacy and Protective Services, testified in support of **ERO 31**, stating the workforce development system is not working for persons with disabilities. It is recommended that the disability community would support **ERO 31** if some changes were implemented: (1) The Kansas Department of Commerce would create and maintain an Ad Hoc Implementation Oversight Advisory Committee with the responsibility to report on Commerce’s efforts to make all Workforce Development Center (WDC) programs, services and resources available to persons with disabilities who are also job seekers. (2) If Kansas Rehabilitation Services (KRS) is not moved to Commerce by the 2004 Legislature, the Governor needs to commit to seriously studying a trailer ERO that would consolidate KRS with Commerce. (3) The Governor would appoint at least two persons with disabilities (not affiliated with State Government) as additional at-large members to the Workforce Network of Kansas. (4) The Kansas Department of Commerce would take the steps necessary to prevent LWIBs from applying discriminatory eligibility or suitability measures or restrictions for WIA participation and give priority for access to Individual Training Accounts to low income individuals with disabilities. (5) The Kansas Department of Commerce would take the necessary steps to develop and ensure the proper implementation of a new customer friendly direct service model for the WDCs that provides equal and appropriate employment search assistance for individuals with disabilities.

The staff at the University of Kansas’ Center for Research on Learning, Division of Adult Studies has been involved with numerous projects to increase employment outcomes for Kansans with disabilities (Attachments 3 & 4).

Martha K. Gabehart, Executive Director, Kansas Commission on Disability Concerns (KCDC), a proponent of **ERO 31** testified the focus of KCDC work has been to improve employment for Kansans with disabilities. It is logical for the KCDC to move to the Department of Commerce with Employment and Training (Attachment 5).

Michael Byington, President and Registered Lobbyist, Kansas Association for the Blind and Visually Impaired, Inc., stated he had not planned to testify but did so after a suggestion made by Mr. Nichols. Mr. Nichols suggested a study might be undertaken concerning removing Kansas Rehabilitation Services (KRS) from the Kansas Department of Social and Rehabilitation Services (SRS), and placing KRS instead also with the Department of Commerce (Attachment 6).

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The Chairman closed the hearing on **ERO 31.**

The meeting adjourned at 10:50 a.m. and the next meeting will be February 6, 2004.