

Approved: Al Ramirez 3-17-93
Date

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Chairperson Al Ramirez at 1:30 p.m. on March 11, 1993 in Room 531-N of the Capitol.

All members were present except: Senator Feleciano - Excused
Senator Vidricksen - Excused

Committee staff present: Julian Efird, Legislative Research Department

Fred Carman, Revisor of Statutes
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: Paul Shelby, Assistant Judicial Administrator,
Office of Judicial Administration
Barbara Hinton, Legislative Post Audit
Gary Reser, Governor's Office
Donna Whiteman, Secretary, SRS

Others attending: See attached list

Chairman Ramirez called the meeting to order and stated the meeting would begin with a continuation of **HB 2228**.

Mr. Gary Reser returned to the committee, stating the four major objections to the bill; the potential intrusion on the executive branch by the legislative branch, not knowing the costs that are involved, the situation in Texas being entirely different than in Kansas, and the fact that the governor has been attempting to undertake efficiencies and economies efforts throughout government since she has been elected and has plans to continue that effort and expand it in partnership with the private sector.

The question of the number of employees was reconciled. The budget prepared and submitted during the transition period when the governor came into office in 1991 did end up with a net increase of 157 positions. This was due primarily to the opening of the new correctional facility in El Dorado.

Mr. Reser was asked if Gloria Timmer, Director of the Budget, had done a fiscal note on the bill. Mr. Reser responded that the only cost estimates he was familiar with would be attributable to Legislative Post Audit, with the bulk of the money going to the telephone hotline where employees and private citizens would call in and make suggestions and recommendations. The Division of the Budget has not made any fiscal impact statement on their involvement.

Representative Hendrix, bill sponsor, stated that there had been a fiscal note prepared on the bill.

Fred Carman, Revisor stated the fiscal note was on the last page of the bill brief. The language read:

'The fiscal impact of **H.B. 2228** primarily would be on the Legislative Division of Post Audit. The Post Auditor estimates the cost of the bill, as amended by the House Committee of the Whole, to be \$108,500 from the State General Fund, of which \$37,600 could be absorbed in the Division's existing budget and \$70,900 would be additional. Costs would be incurred for the hot line, compensation and travel expenses of the State Governmental Practices Advisory Committee, contractual services, and other items.'

The Chairman welcomed Paul Shelby, Office of Judicial Administration, to the committee. Mr. Shelby had two attachments, testimony (Attachment 1) and a balloon containing amendments (Attachment 2). Mr. Shelby's testimony stated that the Judicial branch is opposed to the type of program reviews this bill authorizes and any review conducted of the judicial branch should be conducted by an organization specializing in court administration. It is a violation of separation of powers and the ramifications threaten other powers of the state's courts and the judicial branch with the composition of the committee proposed in the bill to be heavily weighted in favor of the executive and legislative branch of government.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION, Room 531-N
Statehouse, at 1:30 p.m. on March 11, 1993.

Mr. Shelby directed attention to page 2 of the testimony which stated that organizations such as the National Center for State Courts, The American Judicature Society and the Judicial Administration Division of the American Bar Association are available to conduct program reviews.

Mr. Shelby read the main amendment on page 6, Sec. 15 which stated:

'The judicial branch and its agencies shall be reviewed only by national organizations recognized as experts in judicial organization, judicial effectiveness, and conduct of judicial business at least cost. The legislative post audit committee shall contract with such organizations after obtaining the approval of the Kansas supreme court for the objectives and scope of the review to be conducted and the organization to conduct the review.'

In reply to a question as to cost, Mr. Shelby replied that it would depend upon the scope of the audit. It would depend upon what was audited. A range of around two thousand dollars was given for a particular review, but as to a full amount he stated he would have no idea.

Barbara Hinton, Legislative Post Audit, appeared to make a few comments concerning the bill. She stated that she was present to speak neither for nor against the bill. Ms. Hinton had brought to the committee Volume 1 of a Texas book entitled, "Breaking the Mold". It was very interesting reading material, with possibilities. If the Legislature would decide they wanted to embark on this, Legislative Post Audit would be happy to participate in the program. This worked well in Texas given their situation. The governor was solidly behind it as well as the legislative and judicial branches. There were approximately one hundred employees involved in looking at the structure of state government. Several states are following the Texas model, while others are doing it in their own way. Peat-Marwick was contacted by a couple of states. Many states have taken a variety of ways to approach this.

Ms. Hinton commented that the people who are going to be making the recommendations are not the policy makers. They are not going to be the ones who make the decisions; decisions will be made by the policy makers in the various branches in government.

The comment was made to Ms. Hinton of the trend in the private sector today of consultants going into a company, having people fired and then getting their cut and they are gone. Does this bear any relation to what is being discussed.

Ms. Hinton replied that in Texas they did not do this with the idea of cutting and slashing. They went in and looked for ways to make government more responsive; to look at how they serve and to make sure that the taxpayers are willing to pay for what is being provided.

The figures cited in yesterday's meeting were corrected by Mr. Reser to reflect four million spent and two billion saved.

Ms. Hinton said that the ideas out there were not new. These were ideas that had been out there and had been at various times studied, considered and recommended, but for some reason or another it wasn't a good time, or it didn't make sense politically or economically. Texas pulled together a lot of these already existing recommendations and the time was right for a lot of action.

Comments were made that it takes people from all sectors of government, with commitment from everyone and if we would listen to what the people in the agencies have to tell us, a lot could be accomplished.

The state of Texas has over two hundred thousand plus employees; their budget is huge. Texas is structured differently from Kansas.

Ms. Hinton ended her comments by stating that this would not be a performance audit, it would be an information review. It would take all fourteen professional members of the staff. Approximately twenty other people from state agencies would be needed. This would entail no new people. Choices would be made using the resources available, an estimate of thirty to thirty-five people off and on over a year.

The Committee took up **HB 2014** - KanWork Interagency Coordinating Committee. The Chairman welcomed Secretary Whiteman to the Committee.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION, Room 531-N
Statehouse, at 1:30 p.m. on March 11, 1993.

Secretary Whiteman had distributed a packet of information. (Attachment 3)

Secretary Whiteman directed attention to page, subsection (d) of the bill which tells the duties of the committee which are to provide oversight of the KanWork program, insure cooperation at all levels of government, avoid duplication among agencies and programs, encourage public involvement by the public, private and nonprofit sectors in the state and provide ongoing planning for the program. The committee shall also periodically review use of funds under the federal job training and partnership act and other federal funds available for any similar programs and may issue reports as necessary.

Secretary Whiteman referred to Section 1 of the bill, which included the number and makeup of the committee. Turning to page 2, sub (c), the reference to the Secretary of SRS as chairperson is removed and allows the governor to appoint the chairperson. The chairperson will not be a member of state government or a state agency, but someone from the business community, financial community, or organized labor.

In response to a question from one of the committee, Secretary Whitman referred to page 2, sub(e) where reference is made to the provision of staff assistance and clerical services to the committee. Other state agencies will cooperate with the committee in providing information and such assistance as may be helpful to carry out its duties.

In response to a question regarding oversight and cooperation, the Secretary responded that in attending meetings she has seen a lot of rejuvenation and cooperation. There has been a lot of input and sharing of information which has fulfilled the mission of encouraging cooperation and dialogue.

In response to a question of why this committee is needed, the Secretary responded that accountability does rest with the agency, but it is always good to get input and ideas from others. A representative body that provides input and the opportunity to address problems.

Subsection (f) was addressed and the amounts paid under this subsection. Amounts paid refer to members of the committee who are not state officers or employees.

The Secretary was asked about the reasoning in having a chairperson from the group in sub(c). Secretary Whiteman stated the goal was that if the agency is going to change the way it delivers services in KanWork and make it more of a partnership between the agency and businesses, they will want to get a person chairing who has background in these areas and who would be closer to what is happening in the community.

After a few other comments, the Chairman thanked Secretary Whiteman for appearing. The Secretary explained some of the papers in the attachment she had prepared.

The meeting was adjourned.

The next meeting is scheduled for March 15, 1993.

GUEST LIST

COMMITTEE:

Governmental Organization

DATE :

March 11, 1993

[illegible]

Thursday, March 11, 1993

Continuation of HB 2228

Opponent

Paul Shelby, Office of Judicial Administration

Barbara Hinton, Legislative Post Audit

Gary Reser, Governor's office

HB 2014 - KanWork Interagency coordinating committee

Secretary Whiteman, SRS

HOUSE BILL 2228
Senate Committee on Governmental Organization
March 11, 1993

Testimony of Paul Shelby
Assistant Judicial Administrator
Office of Judicial Administration

House Bill 2228 as amended would authorize the Legislative Post Audit Committee to conduct management reviews of all state agencies in all branches of government.

With all due respect to the proposal:

- The judicial branch in the past has made its position concerning program review audits quite clear. Based on past experience, the judicial branch is opposed to the type of program reviews House Bill 2228 authorizes;
- The judicial branch feels strongly that, in all fairness and in order to be fully effective, any review conducted of the judicial branch should be conducted by an organization specializing in court administration;
- Authorizing the Division of Legislative Post Audit to make decisions on matters constitutionally reserved to the court is a violation of the doctrine of separation of powers;
- On a related note, this bill's ramifications threaten other inherent powers of the state's courts and the judicial branch; and
- The composition of the committee proposed in this bill is heavily weighted in favor of the executive and legislative branches of government.

In the past, our experience with program review audits has been far from positive. In September, 1979, the Post Auditor conducted a program audit on the judicial branch to evaluate the unification of the Kansas courts. The Post Auditor implied the judiciary may have committed misfeasance, malfeasance and nonfeasance. Allegations which were totally without merit. Yet, the Kansas courts are widely recognized by other states as model examples.

*G.O. Comm.
Attachment 1
3/11/93*

Unlike financial audits which are objective, program review audits are inherently subjective. The tone of the report depends on the degree of understanding the performance auditor has for the subject matter, and to a lesser degree the auditor's prior perception of the program. Previous program auditors demonstrated a lack of understanding of the primary purpose of a state court system. Findings were oversimplified and quantified without due regard for the qualitative nature of the findings.

Example: In 1979, the Post Audit Committee confused the concepts of workload and caseload when reviewing the district courts. The committee condemned certain districts for alleged inefficiency. It seems the committee compared the number of cases disposed of by each district without due regard for the nature of the cases, the time differential involved in handling certain types of cases and the complexity of the cases.

As a result, the judicial and legislative branches reached an agreement that the Post Auditor would conduct financial audits, however, future program audits would not be conducted without certain safeguards.

The possibility that House Bill 2228 could become law has prompted us to revisit the issue. We believe in fairness to the judicial branch of government, any program audit performed pursuant to HB 2228 should be conducted by an organization familiar with and specializing in court administration. Organizations such as the National Center for State Courts, The American Judicature Society and the Judicial Administration Division of the American Bar Association are available to conduct program reviews.

It would seem feasible that the Division of Legislative Post Audit select an organization to conduct the judicial branch "management review" as long as the organization selected is proficient in the administration of courts and judicial programs. Allowing the Post Audit to select the organization could help to assure impartiality. At the same time, the judicial branch could be assured the review will be conducted in the context necessary to properly evaluate the performance of the Kansas courts.

Our next concern is the authority this bill would give the Post Auditor. This bill would allow the Division to restructure the court system if and where they determine problems exist. This bill would allow the Division to make recommendations to reduce funding, programs and personnel, tell the judicial branch how and where to spend its money and remove programs from the judicial branch into the private sector.

The Constitution of the State of Kansas guarantees the courts certain inherent powers. In addition, the judicial branch is not a state agency under the direction of the legislative or executive branch. The judiciary is a separate branch of government, both governed and protected by the doctrine of separation of powers. We have serious reservations about the constitutional ramifications of HB 2228.

One final concern is the composition of the committee appointed under this bill to assist the Post Auditor. The committee is heavily weighted in favor of the executive and legislative branches. The executive and legislative branches have eight representatives each on the committee, while the judicial branch has one. If the committee is intended as a check on the power of the Post Auditor, its composition prevents any meaningful oversight at least as far as the judicial branch is concerned.

Under this bill, the Post Auditor makes the final decisions, many of which could affect the judicial branch's operations. This bill contains no enforcement mechanism, nor does it provide for an appeal process. Will the judicial and the executive branches be expected to accept the "management review" findings without question? Accountability is laudable, for our purpose is to serve the public in the best way possible. However, making the judicial branch of government accountable to the Division of Legislative Post Audit is another matter entirely.

JS:ljb

HOUSE BILL No. 2228

By Representatives Hendrix, Benlon, Bradley, Carmody, Cornfield, Dawson, Empson, Flower, Haulmark, Jennison, Lane, Lowther, Mead, Miller, Mollenkamp, Neufeld, O'Neal, Powers, Roe, Samuelson, Shallenburger, Shore, M. Smith, Wagle and E. Wells

2-4

AN ACT providing for a comprehensive ~~management~~ review of agencies of the state governmental functions, structure, processes and services; imposing duties upon certain state officers therefor; providing for the conduct of such review, the filing of certain reports and recommendations and the administration of the provisions of the act; and providing for the delay of the conduct of certain audits under the Kansas governmental operations accountability law.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The purpose of this act shall be to challenge and question the basic assumptions underlying all state agencies and the programs and services offered by the state to identify those that are vital to the best interests of the people of the state and those that no longer meet that goal; and to provide a comprehensive review of state agencies in providing such programs and services.

(b) As used in this act "state agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof.

Sec. 2. The legislative post audit committee shall direct the post auditor to conduct a management review of state agencies in accordance with the provisions of this act. The review is to focus on how state government is organized, managed and financed. The review's perspective is to emphasize service to the customers of state agencies and satisfaction of the state's taxpayers. In the performance of such duties the post auditor shall:

(a) Conduct a ~~complete~~ review of all state agencies and all programs, services and activities operated by such agencies;

(b) evaluate the efficiency with which state agencies operate the programs under their jurisdictions and fulfill the duties assigned to

except the judicial branch and its agencies.

Handwritten note: P.O. Cornfield 3/11/93

1 such agencies by law;

2 (c) determine methods to maximize the amount of federal funds
3 received by the state for programs in order to better ensure that
4 the people of Kansas receive a greater share of the taxes levied on
5 them by the federal government;

6 (d) identify any state agency or any program or service now
7 offered by an agency that can be eliminated or transferred to the
8 private sector without injury to the public good and well-being; and

9 (e) make recommendations for the programs and services the
10 various state agencies provide as well as recommendations for the
11 elimination of or reduction in funding to various agencies, programs
12 or services based on the results of the management review.

13 Sec. 3. (a) There is hereby established the state governmental
14 practices advisory committee which shall consist of: ~~(a)~~ (1) The gov-
15 ernor or a person designated by the governor from such office; (2)
16 the secretary of administration or a person designated by the sec-
17 retary from such office; (3) the director of the budget or a person
18 designated by the director from such office; (4) The chairperson and
19 the ranking minority member of the senate standing committee on
20 ways and means; ~~(b)~~ (5) the chairperson and ranking minority mem-
21 ber of the standing committee on appropriations of the house of
22 representatives; ~~(c)~~ four members of the executive branch of
23 government, designated by the governor; ~~(d)~~ (6) one member
24 from the judicial branch of state government, designated by the chief
25 justice of the supreme court; ~~(e)~~ (7) one representative of the certified
26 public accounting firm that annually audits the state; ~~(f)~~ (8) one
27 representative of the general public appointed by the governor; (9)
28 one representative of the general public appointed by the president
29 of the senate; and ~~(g)~~ (10) one representative of the general public
30 appointed by the minority leader of the senate; (11) one represen-
31 tative of the general public appointed by the speaker of the house
32 of representatives; and (12) one representative of the general public
33 appointed by the minority leader of the house of representatives[;
34 and (13) four members of the executive branch of the government,
35 designated by the governor]. Members of the advisory committee
36 shall elect a chairperson and vice-chairperson from the membership
37 of the committee.

38 (b) It shall be the duty of the advisory committee to advise with
39 the post auditor on all phases of the review including coordination
40 of state agency involvement and in the development of the scope
41 and direction of a work plan for the guidance of teams and taskforces
42 established for the conduct of such review. Members of the com-
43 mittee, who are not governmental officers or employees, shall receive

2-2

1 compensation and subsistence and mileage expense allowances as
2 prescribed by K.S.A. 75-3223, and amendments thereto.

3 Sec. 4. For the purpose of providing staff assistance to the post
4 auditor in the conduct of such management review, the director of
5 the legislative research department, ~~the director of the budget and~~
6 ~~chief administrative officer of all other state agencies~~ shall pro-
7 vide the services of such personnel of the agency as may be requested
8 by the post auditor. [The director of the budget and the chief
9 administrative officers of all other state agencies are authorized to
10 assist and cooperate with the post auditor as may be requested for
11 the conduct of such management review.]

12 Sec. 5. The chief administrative officer of each state agency
13 may serve on, or may designate a person from within such agency
14 to serve on, a task force of state agency officials whose role is to
15 provide input to the post auditor on various aspects of government
16 operations.

17 Sec. 5 6. The post auditor shall establish a project management
18 team which shall consist of members of the staff of the post audit
19 division, the legislative research department and ~~the division of~~
20 ~~the budget~~ [such other employees of executive or judicial branch
21 agencies as permitted by the respective appointing authorities of
22 such employees].

23 Sec. 6 7. (a) The post auditor shall establish such number of
24 review teams and other taskforces as may be necessary for the con-
25 duct of such review. Such teams and taskforces may be organized
26 according to functional areas of government to be reviewed or by
27 department as determined by the post auditor [and subject to the
28 availability of officers and employees of executive and judicial
29 branch agencies as may be determined by the respective appointing
30 authorities of such officers or employees]. The post auditor shall
31 designate the team leader for each review team and may appoint to
32 membership on such teams and taskforces such number of state
33 officers and employees ~~and members of the public, business lead-~~
34 ~~ers and other interested citizens of the state having special expertise~~
35 in any area determined advisable by the post auditor.

36 (b) In the performance of its duties under this act, each review
37 team shall catalog and review the functions of government within
38 its assigned area, consider all information and suggestions received
39 from state officers and employees and members of the public, and
40 make suggestions for reducing costs, improving service and increas-
41 ing capacity and efficiency in state government.

42 Sec. 7 8. Every agency of the state of Kansas shall ~~cooperate~~
43 ~~with,~~ and provide such information and assistance, as may be

1 required by the post auditor [and is authorized to provide assistance
2 as requested] in the implementation of the provisions of this act.

3 Sec. 8 9. The post auditor shall develop and adopt a work plan
4 for the direction of teams and taskforces employed in the conduct
5 of the review the review teams assigned to conduct the review.

6 Sec. 9 10. (a) The state post auditor shall provide a special tel-
7 ephone government operations review hot line to receive sugges-
8 tions and recommendations for the improvement of state
9 government functions, structure, processes and services from both
10 state officers and employees and the general public. The post auditor
11 shall advertise the existence and purpose of such hot line in all
12 counties of the state and shall post notices of such hot line, its
13 purpose and telephone number in the offices of all agencies of the
14 state. No supervisor or appointing authority of any state agency shall
15 prohibit any employee of the agency from discussing the operation
16 of the agency, either specifically or generally, with the post auditor,
17 any member of the project management team or any member of
18 any team or taskforce involved in the conduct of the review under
19 the provisions of this act.

20 (b) Any officer or employee who is in the classified service and
21 has permanent status under the Kansas civil service act may appeal
22 to the state civil service board whenever the officer or employee
23 alleges that disciplinary action was taken against the officer or em-
24 ployee for discussing agency operations in accordance with this sec-
25 tion. The appeal shall be filed within 30 days of the alleged
26 disciplinary action. Procedures governing the appeal shall be in ac-
27 cordance with subsections (f) and (g) of K.S.A. 75-2949 and amend-
28 ments thereto and K.S.A. 75-2929d through 75-2929g and
29 amendments thereto. If the board finds that disciplinary action taken
30 was unreasonable, the board shall modify or reverse the agency's
31 action and order such relief for the employee as the board considers
32 appropriate. If the board finds a violation of this section, it may
33 require as a penalty that the violator be suspended on leave without
34 pay for not more than 30 days or, in cases of willful or repeated
35 violations, may require that the violator forfeit the violator's position
36 as a state officer or employee and disqualify the violator for ap-
37 pointment to or employment as a state officer or employee for a
38 period of not more than two years. The decision of the board in
39 such cases may be appealed by any party pursuant to law. As used
40 in this section "disciplinary action" means any dismissal, demotion,
41 transfer, reassignment, suspension, reprimand, warning of possible
42 dismissal or withholding of work. Any officer or employee who is in
43 the unclassified service who alleges that disciplinary action has been

1 taken against such officer or employee in violation of this section
2 may bring a civil action for appropriate injunctive relief, or actual
3 damages, or both within 90 days after the occurrence of the alleged
4 violation. A court, in rendering a judgment in an action brought
5 pursuant to this act, shall order, as the court considers appropriate,
6 reinstatement of the officer or employee, the payment of back wages,
7 full reinstatement of fringe benefits and seniority rights, actual dam-
8 ages, or any combination of these remedies. A court may also award
9 such officer or employee all or a portion of the costs of litigation,
10 including reasonable attorney fees and witness fees.

11 Sec. 10 11. The state employee award board shall provide the
12 post auditor with copies of all suggestions received pursuant to
13 K.S.A. 75-37,106 et seq., and amendments thereto.

14 Sec. 11 12. Upon the completion of its assigned analysis and
15 review each team ~~or taskforce~~ shall report the results of its reviews
16 together with any recommendations thereon to the post auditor.
17 When all of the teams ~~and taskforces~~ have completed the assigned
18 work and filed reports thereon, the post auditor shall prepare a final
19 report and recommendations for the accomplishment or implemen-
20 tation of the objectives of the review. Such report and recommen-
21 dations shall be filed and available to the legislative post audit
22 committee on or before ~~December 15, 1993~~ [June 15, 1994]. Copies
23 of such report and recommendations shall be made available to the
24 governor, the chief administrative officer of each state agency, the
25 governmental practices advisory committee, and to members of each
26 house of the legislature before ~~the first day of the~~ [July 1,] 1994
27 ~~regular session of the legislature.~~

28 Sec. 12 13. (a) ~~The legislative post audit committee~~ The post
29 auditor may accept gifts, grants, or assistance, including the pro-
30 vision of specialized personnel, from any private or public institution,
31 association or organization.

32 (b) There is hereby established in the state treasury the
33 state agency management review fund. All moneys credited to
34 such fund shall be used to pay costs incurred in the imple-
35 mentation of the provisions of this act. All expenditures from
36 such fund shall be made in accordance with the provisions of
37 appropriations acts and upon warrants of the director of ac-
38 counts and reports issued pursuant to vouchers approved by
39 the chairperson of the legislative post audit committee or the
40 chairperson's designee.

41 Sec. 14. On or before July 1, 1994 [1995], the post auditor shall
42 prepare a report, together with recommendations, for implementing
43 a performance-based measurement system for state agencies. Such

2-5

1 report shall address: (a) The extent to which state agencies in Kansas
2 have set program goals, measure program performance against
3 those goals, and publicly report on their progress toward meeting
4 those goals; (b) the performance-based measurement systems other
5 public or private entities have adopted or are adopting; and (c)
6 recommendations for implementing a performance-based measure-
7 ment system that will: (1) Improve program effectiveness and public
8 accountability by promoting a new focus on results, customer service
9 and taxpayer satisfaction; (2) help state managers improve service
10 delivery by providing them with information about program results
11 and service quality; and (3) improve legislative decision making by
12 providing periodic, objective information on achievement of stat-
13 utory objectives and on the relative effectiveness and efficiency of
14 state programs and spending.

15 In preparing this report, the post auditor may seek the advice
16 of the governmental practices advisory committee, state officers or
17 employees, or other members of the general public, as the post
18 auditor deems necessary.

19 This report shall be filed and made available to the legislative
20 post audit committee on or before July 1, 1994 [1995]. After the
21 report has been made available to the legislative post audit com-
22 mittee, copies of such report shall be made available to the gov-
23 ernor, the chief administrative officer of each state agency, the
24 governmental practices advisory committee and to members of each
25 house of the legislature.

26 ^ Sec. 15. All audits, reviews and evaluations conducted in ac-
27 cordance with the requirements of K.S.A. 74-7283 *et seq.*, and
28 amendments thereto, shall be conducted in the calendar year next
29 following the calendar year prescribed for such audits by K.S.A.
30 74-7288 through 74-72,104, and amendments thereto.

31 Sec. 16. If any provision of this act or the application thereof
32 to any person or circumstances is held invalid, the invalidity shall
33 not affect other provisions or applications of the act which can be
34 given effect without the invalid provision or application, and to this
35 end the provisions of this act are severable.

36 Sec. 13 17. This act shall take effect and be in force from and
37 after its publication in the Kansas register.

Sec. 15. The judicial branch and its agencies shall be reviewed only by national organizations recognized as experts in judicial organization, judicial effectiveness, and conduct of judicial business at least cost. The legislative post audit committee shall contract with such organizations after obtaining the approval of the Kansas supreme court for the objectives and scope of the review to be conducted and the organization to be named to conduct the review.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Donna Whiteman, Secretary

Testimony
Senate Governmental Organization Committee

March 11, 1993

SRS MISSION STATEMENT

THE KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES EMPOWERS INDIVIDUALS AND FAMILIES TO ACHIEVE AND SUSTAIN INDEPENDENCE AND TO PARTICIPATE IN THE RIGHTS, RESPONSIBILITIES AND BENEFITS OF FULL CITIZENSHIP BY CREATING CONDITIONS AND OPPORTUNITIES FOR CHANGE, BY ADVOCATING FOR HUMAN DIGNITY AND WORTH, AND BY PROVIDING CARE, SAFETY AND SUPPORT IN COLLABORATION WITH OTHERS.

The Department of Social and Rehabilitation Services (SRS) wishes to express support for the changes in the KanWork Act that would add to the membership of the KanWork Interagency Coordinating Council and refocus its leadership. The agency is committed to the empowerment of individuals and families. Adding a KanWork participant to the committee will continue this pledge by giving voice to people whose lives are most affected by the committee's actions. And, concomitantly, the committee will gain the valuable dimension of first-hand experience as they formulate recommendations for the KanWork Program.

The KanWork Interagency Coordinating Council has been undergoing a rejuvenation this year. They are in the process of forming highly focused subcommittees to analyze the issues and challenges facing the KanWork Program. Appointing as chairperson a member of the business, financial, or labor community will enhance the committee's oversight and monitoring capabilities, and give the members the power of independent review as intended by the KanWork Act.

While we are supportive of these changes in the KanWork bill, I did want to make you aware of several developments which have taken place which would affect the KanWork Program. I have attached for review an excerpt from the House Subcommittee on Appropriations Report. The committee's proposal would significantly change the KanWork Program as well as the KanWork Interagency Coordinating Council.

The bill draft has not been finalized, but a few key points are: 1) to outline the mission of the KanWork Program in the statute, and 2) require increased involvement by local communities through the creation of local KanWork councils. This effort would require investments by and cooperation among participants, families, community agencies, employers, education facilities, the business sector, and the state. The desired result would be to have flexibility in the KanWork Program to meet the identified local needs and result in a level of education and training that provides skills and proficiencies necessary to acquire jobs that lead to self-sufficiency.

*G. O. Comm.
Attachment 3
3/11/93*

Senate Governmental Organization Committee
Testimony: KanWork Program
March 11, 1993
Page 2

The statewide KanWork Interagency Coordinating Council would be replaced by a Human Resource Investment Council chaired by a member from the private sector. This would mean the consolidation of the Kansas Council on Employment and Training (KCET), the KanWork Interagency Coordinating Council, and the Kansas Council on Vocational Education.

The Department of Social and Rehabilitation Services continues to work to improve the delivery of services through the KanWork Program. We have been meeting with staff from the Kansas Department of Human Resources (DHR) to develop common mission, vision, and goal statements for the KanWork/JOBS Program. We have also developed a business plan outlining the focus of the KanWork/JOBS Program. Copies of these two documents are attached.

An additional area which we are working on is the ongoing monitoring and evaluation of the KanWork Program so that we can measure the effectiveness of the various strategies implemented within the program.

We believe strongly that any changes made in the KanWork Program should strengthen the program as implemented. Kansas is not unlike other states in that implementation and evaluation results have not come as quickly as many would like. We believe the information we have received from the Legislative Post Audit Report, as well as the other studies, will assist us in improving the service delivery system as well as to show improved results for clients.

Donna Whiteman, Secretary
Kansas Department of Social
and Rehabilitation Services
913-296-3271

DLW:JKS:cjc
Attachments

EMPLOYMENT PREPARATION SERVICES

Effect of House Sub Committee Recommendations
on Expansion and Budget

March 11, 1993

- Option I - Eliminate all Balance of State Counties and two full Service KanWork Counties. Eliminates 44 positions.
- Option II - Reduce level of Service statewide to 6000 clients. Would probably require elimination of Balance of State Counties in order to meet federal target group and participation levels. Eliminates 44 positions.

Listed below are the current KanWork Counties:

ORIGINAL	MAY 1992 EXPANSION	FY93 EXPANSION
Sedgwick	Butler	Atchison
Shawnee	Douglas	Cherokee
Barton	Ford	Cowley*
Finney	Johnson	Crawford
	Leavenworth	Geary*
	Seward	Harvey
	Wyandotte	Labette
		Lyon*
		Miami
		Montgomery
		Reno
		Riley*
		Saline

MINIMAL JOBS COVERAGE

Dickinson	Harper	Doniphan
Ellis	Sumner	Franklin
Thomas	Bourbon	Marshall
Sherman	Neosho	Pottawatomie
Grant	Allen	Greenwood
Pratt	Wilson	Chautauqua
McPherson	Anderson	Marion
Rice	Linn	Osage
Kingman	Jackson	Coffey
	Brown	

*Counties where vacancies occurred and two which would be targeted for elimination should that be required.

It should be noted the attached budget information includes not only KanWork, but all Employment Preparation Services Programs (MOST, Food Stamps, Employment and Training, Social Services, Child Care, and Administration).

Summary of FY 1994 KanWork / JOBS House Revision

Program Title	FY 1994 GBR		House Proposal		Reduction	
	All Funds	State	All Funds	State	All Funds	State
Field Staff						
Direct Staff Case Mgmt	\$3,312,000	\$1,324,800	\$3,312,000	\$1,324,800	\$0	\$0
Other Field Adm	5,737,266	2,719,723	4,582,472	2,060,882	(1,154,794)	(658,841)
Subtotal Field	9,049,266	4,044,523	7,894,472	3,385,682	(1,154,794)	(658,841)
KW/JOBS Supportive Services						
Transportation	3,550,000	1,420,000	1,740,000	696,000	(1,810,000)	(724,000)
Education/Training	1,535,000	614,000	3,150,000	1,260,000	1,615,000	646,000
Special Allowance	600,000	240,000	450,000	180,000	(150,000)	(60,000)
Employment	1,277,350	240,940	1,848,000	739,200	570,650	498,260
Child Care :						
AFDC Daycare	12,260,904	4,998,776	8,393,532	3,219,601	(3,867,372)	(1,779,175)
AFDC Transitional Care	4,826,142	2,021,671	3,208,800	1,308,228	(1,617,342)	(713,443)
Subtotal KW/JOBS Services	24,049,396	9,535,387	18,790,332	7,403,029	(5,259,064)	(2,132,358)
Other Child Care						
Food Stamp	328,616	164,308	328,616	164,308	0	0
Income Eligible	5,740,543	5,571,205	4,440,543	4,271,205	(1,300,000)	(1,300,000)
Potential AFDC	5,340,551	2,237,157	5,340,551	2,237,157	0	0
Development Block Grant	7,628,390	0	7,628,390	0	0	0
Subtotal Other Child Care	19,038,100	7,972,670	17,738,100	6,672,670	(1,300,000)	(1,300,000)
Total	\$52,136,762	\$21,552,580	\$44,422,904	\$17,461,381	(\$7,713,858)	(\$4,091,199)

House Sub-Comm. Hrg. on Appropriation

SRS and Kansas Legal Services regarding ways to redesign the existing program, or to modify or simplify procedures with the goal of maximizing federal reimbursements and protecting children and their families. The parties should report back to the Subcommittee by March 31 regarding the outcome of these discussions.

4. The Subcommittee recommends introduction of legislation to modify the KanWork program. In response to concerns raised by the 1992 Legislature, by the KanWork Post Audit Report, and by several interim committees, a bipartisan Task Force has been meeting during the 1993 Session to discuss the future of the program. This recommendation for introduction of legislation embodies the recommendations of this task force. The recommended legislation would recognize that the mission of the KanWork program is to "assist in empowering cash assistance recipients to become economically self-sufficient." The recommended legislation is based on certain conclusions regarding the future direction of the KanWork program. The Subcommittee recommends that the KanWork program stress job preparation and jobs development, and enhance the level of involvement at the community level and by employers. The proposed legislation would establish local planning councils that would submit local KanWork/JOBS plans. Such local plans would include proposals to remove barriers to employment; to place clients in jobs; for job development activities; and for follow-up and evaluation. The local council plans are intended to reflect local needs and resources and are intended to maximize other resources at the local level available for the program. This proposal would shift the role of SRS from that of a direct service provider to the entity responsible for overall program administration, planning, integration and coordination. Direct service would be provided through local councils. The Subcommittee also recommends that volunteers be given priority for services on first-come, first-serve basis. This recommendation assumes reasonable caseloads (less than 50) for the client's advocate (case manager) who would be either an employee of a service provider in the local area or an SRS local office employee. Data collection and evaluation pieces are also included as vital components in the proposed legislation.

In conjunction with this recommendation to introduce legislation, the Subcommittee makes the following budget recommendations regarding the KanWork program:

- a. Delete \$2,791,199 from the State General Fund (\$6,413,858 All Funds) and 44.0 FTE positions in the KanWork program. The recommendation assumes that 6,000 clients would receive services at an estimated cost per client of \$3,660. Currently almost twice as many clients receive some level of services; many however, have merely been screened and placed in a nonparticipation status. The cost per client assumes only funding from the SRS budget from state and federal JOBS funds and does not take into account other resources available through JTPA, adult basic education, or business and community resources. The reduction in staffing from the approved level reflects shifting service delivery from state employees to the local councils. The Subcommittee would expect to see the role of remaining SRS staff shift over the next year and would expect to see further

reductions in staff in subsequent budget requests as more services are contracted through the local councils. The Subcommittee understands that this revised program will allow the agency to meet federal requirements which mandate availability of a comprehensive program where 75 percent of AFDC recipients reside, and a minimal program where an additional 20 percent of the population reside. The Subcommittee also believes that this recommendation will allow the agency to meet certain federal targeting and participation mandates.

- b. Add \$210,136 from the State General Fund (\$485,207 All Funds) and 4.0 special project positions for the pilot KanLearn project proposed in H.B. 2188. The Subcommittee also endorses passage of this legislation with amendment to include General Assistance children in the pilot projects. The Subcommittee notes that SRS has found that the lack of education among AFDC recipients is their greatest barrier to achieving self-sufficiency. The Subcommittee's review of the characteristics of KanWork clients supports this conclusion. More than 40 percent of the clients entering the KanWork program have not completed high school or obtained a GED. The Subcommittee believes that this pilot project should not be viewed as an expenditure, but as an investment in a better future for teens through providing incentives to complete their education. The Subcommittee would note that this project will require extensive coordination between SRS and the Kansas Board of Education to ensure accurate and efficient reporting tools to measure the success of the program.
 - c. Add \$91,875 from the State General Fund (\$183,750 All Funds) for programming time to develop tracking reports to monitor program results. This recommendation provides funding to ensure collection and tracking of data such as cash assistance recidivism, types of jobs received, average wage, and other measures. The Subcommittee would note that the lack of quantifiable, measurable data has always been a shortcoming of the KanWork program and that this new direction for the program is predicated on ongoing tracking and evaluation. This recommendation will enable the agency to produce seven specific tracking reports. The Subcommittee further recommends that SRS develop specific outcome measures and quantifiable goals it hopes to achieve and make those available for review by the Senate Subcommittee. The Subcommittee recognizes that any quantifiable goals will be estimates at this point in time but believes it is important to establish a baseline against which to measure program success.
5. The Subcommittee believes that modifications in the KanWork program are only the first step in designing a public assistance program that promotes self-sufficiency and client independence. Current disincentives in the public assistance system must be eliminated. The Subcommittee heard testimony from the agency regarding an agency task force on welfare reform and believes it is essential to move forward on comprehensive welfare reform. The Subcommittee was informed that the welfare reform committee is developing a proposal designed to: strengthen families; maximize work and training opportunities; and provide client-based service delivery. Examples of current disincentives include

the shared living penalty and the level of earned income disregards. The Subcommittee recommends interim review of the agency's welfare reform plan and expects this plan to be incorporated in the agency's budget request to the 1994 Legislature. The Subcommittee believes that success of the KanWork program is dependent upon eliminating other disincentives currently in the system and believes that savings from the JOBS program should be directed towards other areas of assistance to empower clients towards self-sufficiency.

6. Delete \$1.3 million from the State General Fund for day care in conjunction with the FY 1993 recommendations to delete funding set aside for a provider rate increase.
7. The Subcommittee is supportive of the concept of family resource centers as proposed in H.B. 2246, which are designed to provide child care and supportive services to certain families through locations in public schools. The Subcommittee recommends the agency to fund such initiatives from enhanced federal funding that may become available.

Child Support Enforcement

8. Add \$2,025,330 from the SRS Fee Fund (\$5,182,378 All Funds) and 136 special project positions in child support enforcement for medical support enforcement. The Subcommittee heard testimony that the agency faces sanctions in the child support area without additional resources in the medical support enforcement area. Initial sanctions to the state could range from one to five percent of the state's AFDC funding (\$700,000 to \$1.4 million in federal AFDC funds), with sanctions progressively increasing. Title IV-D of the federal Social Security Act requires that a medical support order be sought whenever cash support is established or modified, or when group insurance coverage becomes available. Once coverage is ordered, the child support program must enforce the order to ensure that insurance coverage is maintained, children are enrolled, and coverage is maintained. Meeting federal child support requirements is the child support enforcement program's first priority. Under this priority the agency estimates that an additional 3,760 medical support orders will be established representing 5,640 children each year.

The Subcommittee expects that in the first year of operation, revenue to the fee fund will total \$1.8 million as compared to expenditures of \$2.0 million. Projected revenue is expected to total \$5.5 million in FY 1995 and \$6.6 million in FY 1996. The Subcommittee recommends that the agency account separately for expenditures and revenue as a result of this program so that its cost-effectiveness can be evaluated in future years. The Child Support program has always been a revenue producing program for the state in addition to the benefits received on behalf of children and families. For example, in FY 1992, state expenditures for child support enforcement totaled \$3.6 million. Recoveries of AFDC payments, federal reimbursements, and federal incentives resulted in reimbursements to the SRS Fee Fund of \$10.9 million. The following summarizes expected increases in child support reimbursements to the fee fund from FY 1993

PROGRAM:	KanWork/JOBS
-----------------	---------------------

PUBLIC POLICY GOAL (MISSION)

KanWork exists to make long-term investments in the human capital of the State of Kansas; to maximize the effectiveness of public resources; to empower individuals and families to move toward self-sufficiency; and to develop opportunities for present and future generations to escape dependence on public assistance as a way of life.

OUTCOMES AND OBJECTIVES

1. Increase limited resources to those AFDC recipients who can make the best use of KanWork services.
2. Use existing models and develop new models to expand public and private sector involvement in the KanWork Program.
3. Support the expansion of education services at GED and High School level and the provision of counseling services at adult learning centers
4. Develop improved monitoring and evaluation systems that measure the increases in individual self-sufficiency.
5. Implement pilot projects to test the effectiveness of (a.) applicant job search, (b.) the team approach using participating agencies to assess and inform referrals into the KanWork program, and (c.) targeting nearly AFDC recipients. (Please see attachment.)
6. No longer require participants with severe social service needs to participate after six months if those barriers still exist.

STRATEGIES TO REACH GOALS

1. Develop mini-assessments that determine into which category participants fall to conserve the length of time that an individual participates in the JOBS program (\$75,733 savings in FY 1994).
2. Develop more collaborative projects between SRS, JTPA and private industries using the "Wichita 21st Street CESSNA Project" and "DETAMC" as models.
 - a. Develop the Alternative Work Experience Program to allow individuals to participate in a work experience program in the private sector.
3. Coordinate with education to develop, combine, and fund resources to more effectively assess client skills and strengths and foster innovation and improved services (Current FY 1993 cost - \$800,000; projected FY 1994 cost - \$1,751,374)

4. Develop a system for tracking the increases in each participant's self-sufficiency.
5. Implement a pilot project to test the potential for serving AFDC applicants with Job Search services (\$491,100 savings in FY 1994).
6. Develop criteria for closing KanWork/JOBS cases after six months for those participants whose social service needs cannot be resolved while in non-participation status.

BARRIERS TO REACHING GOALS

1. Attaining consensus among the participating agencies regarding job readiness criteria and finding assessment tools that accurately determine barriers such as learning disabilities.
2. Overcoming the negative public perception regarding the abilities, motivation, and work habits of "people on welfare".
3. There is a sharp increase in the number of participants needing adult basic education and the funding for these programs is insufficient.
4. SRS does not have a computer tracking system to collect this data. Developing a new system or enhancing the current information management system would be costly.
5. Federal approval to modify the JOBS state plan would be needed to allow AFDC applicant job search.
6. There could be public objection to not requiring all AFDC recipients to participate in KanWork/JOBS regardless of social service needs.

OUTCOME/EVALUATION MEASURES

1. The shift of resources to those participants who can make best use of KanWork services (the nearly employables). MODEL COMPARISON - Oregon Applicant Job Search.

	FY 92	FY 93	FY 94	FY 95	FY 96
Increase in the number of persons entering employment	1068	1224	1453	1671	1922

2. The change in the number of cooperative agreements with businesses in both urban and rural communities. MODEL COMPARISON - CESSNA, DETAMC, and Project 911 training and assured employment initiatives in Wichita, Kansas.

	FY 92	FY 93	FY 94	FY 95	FY 96
Number of agreements	3	24	32	40	50
Number of participants	30	160	180	270	290

3. The change in functional skill levels of KanWork/JOBS participants in relation to the competency levels required by the State's workforce. MODEL COMPARISON - On-site liasion from the KanWork program at Dunbar Community College in Wichita, Kansas.

	FY 92	FY 93	FY 94	FY 95	FY 96
Increase in the number attaining High School/GED	383	624	926	952	952

4. Decrease in governmental support and increase in private income among individuals who participate in the KanWork program. MODEL COMPARISON - MDRRC research of the California JOBS program - GAIN. (This represents a pilot project in Seward, Barton, Johnson, and Shawnee counties).

	FY 92	FY 93	FY 94	FY 95	FY 96
Average yearly earnings	\$5,595	\$5,678	\$5,820	\$5,977	\$6,126
Average AFDC amount		\$ 357	\$ 322	\$ 290	\$ 260

5. The change in the number of AFDC applicants who are diverted from receiving public assistance. MODEL COMPARISON - Oregon Applicant Job Search. This represents a pilot project in Shawnee County.

	FY 92	FY 93	FY 94	FY 95	FY 96
Number of persons diverted from public assistance	N/A	N/A	300	320	340

6. The change in the number of participants with multiple social service needs whose cases remain open longer than six months and the resultant change in the number of employables and nearly employables who receive services.

	FY 92	FY 93	FY 94	FY 95	FY 96
Number of persons in non-participation status	561	621	559	447	313

BACKGROUND

There are more potential participants for the KanWork program than there are staff and resources. To make the best use of JOBS dollars we must target those participants who can benefit the most from the services. Focusing our limited resources on those individuals who have a good chance of becoming self-sufficient within 1 to 2 years through education and training is the best solution. Those job ready participants who are receiving AFDC benefits for a short period of time, just to tide them over a crisis, would best be served by receiving support services as soon as possible after application for AFDC. Additionally, knowledge of the various organizations and agencies that can contribute to the attainment of self-sufficiency will help KanWork participants reach their goals. By using DHR, JTPA, Child Support Enforcement, Family Preservation, and other agencies in a team approach for orientation and assessment, the participant will have a better idea of the services available. To target resources to the group that can make best use of KanWork services, the nearly employables, a correct assessment of basic skills, interests and aptitudes, social service needs, and possible career tracks is essential. This improved assessment process would also reduce the incorrect placement of participants into activities for which they are not ready due to such things as learning disabilities, addictions, and other mental/physical challenges.

STRATEGIES

1. Implement a pilot project to test the potential for serving AFDC applicants with Job Search services. The goal of this project is to determine whether KanWork can direct potential AFDC recipients into jobs before assistance is received or within 45 days of application for assistance.
2. Develop a team approach using KanWork staff in consultation with Child Support Enforcement, DHR/JTPA, and other relevant staff to interview, assess, and assist AFDC recipients in employment activities.
3. Implement Project SELECT (Self-Sufficiency, Life Skills, Education, Community/Alternative Work Experience, and Transition to Employment) to test the effectiveness of targeting nearly job ready individuals for KanWork services. Intensive case management and support services will be offered to those high-functioning individuals with moderate barriers to employment who are within a year of becoming self-sufficient but are not immediately ready to enter the job market. This project will target those AFDC recipients best able to use the services and also reduce worker caseloads to approximately 75 participants.

OUTCOMES

1. To evaluate the most effective manner of utilizing limited resources.
2. To increase employable AFDC applicant's access to the support services they need as they job search.
3. To measure the success of diverting employables from long-term public assistance.

TOTAL FISCAL IMPACT:

1. It is estimated that approximately \$402 (on an average) will be expended to divert an individual from full program participation by obtaining employment quickly. A cost avoidance of \$1,637 per individual is anticipated, or a total of \$491,100 (State general fund - \$245,550). Additionally, savings in cash grants, Food Stamps, and Medicaid would be realized by preventing the individual from going on to these programs.
2. This will be cost neutral as redirecting of staff resources is accomplished.
3. This approach would be cost neutral as staff would be re-aligned and re-assigned.

Department of Social and Rehabilitation Services
Employment Preparation Services

3-13

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>
Number of Counties Served					
KanWork/JOBS	4	24	24	24	24
Balance of State	101	81	81	81	81
Administration					
Number of Staff	275.5	343.5	343.5	343.5	343.5
Average Staff Salary with benefits	\$ 18,642	\$ 22,489	\$ 28,492	\$ 29,489	\$ 30,521
All Funds	\$ 5,640,817	\$ 8,456,051	\$10,409,348	\$10,773,675	\$11,150,754
State Funds	\$ 2,820,409	\$ 4,228,026	\$ 5,204,674	\$ 5,386,839	\$ 5,575,377
KanWork/JOBS Client (Education Training, Transportation, Special Allowances and Contracted Services)					
All Funds	\$ 2,518,100	\$ 4,087,574	\$ 8,146,891	\$ 8,324,330	\$ 8,514,925
State Funds	\$ 1,007,240	\$ 1,635,030	\$ 3,258,756	\$ 3,329,732	\$ 3,405,970
KanWork/JOBS Child Care					
All Funds	\$ 8,004,921	\$14,239,197	\$17,087,046	\$17,770,528	\$18,481,349
State Funds	\$ 3,201,968	\$ 5,695,679	\$ 6,834,818	\$ 7,108,211	\$ 7,392,540
Total All Funds	\$16,163,838	\$26,782,822	\$35,643,285	\$36,868,533	\$38,147,028
Total State Funds	\$ 7,029,617	\$11,558,735	\$15,298,248	\$15,824,782	\$16,373,887

Budget Assumptions: The outyear budgets assume the strategies above would be implemented to meet the stated goals. In the absence of the strategies to reach the goals on page 1, the KanWork/JOBS budget would be expected to total \$34,458,744 in FY 1994, \$35,785.04 in FY 1995, and \$37,162,581 in FY 1996.

The KanWork/JOBS program (comprehensive services) expanded to 24 counties by the end of FY 1993. The JOBS program offering minimal service, Balance of State (BOS), is available in all of the remaining counties (8 counties).

MEMORANDUM

TO: Members of House KanWork Task Force
FROM: Laura Howard, Senior Fiscal Analyst
RE: KanWork Model

The following outline summarizes the consensus of the KanWork Task Force regarding a direction for the KanWork program and the components to be included in legislation to be introduced to modify the program.

KANWORK MODEL**I. KANWORK MISSION**

It is the stated legislative intent that the mission of the KanWork program is:

To assist in empowering cash assistance recipients to become economically self-sufficient through further education and enhanced skills so that they may acquire and retain employment.

GUIDING PRINCIPLES:

A level of education and training that provides skills and proficiencies necessary to acquire jobs that lead to self-sufficiency

Community involvement

Involvement by employers and business

Investments by, and cooperation among, participants, families, the community, the business sector and the state

Flexibility to meet and identify local needs

Jobs for clients

II. SERVICE DELIVERY SYSTEM

Changes to the service delivery system are predicated upon the following goals: increased integration of services provided by several agencies or service providers; consolidation; and simplification of service delivery. Coordination and the elimination of the duplication of services would support those goals.

A. Establish Local Planning Councils.

Local councils would be mandated for establishment. All KanWork counties would have their own local councils; all other areas would have regional councils; the key is flexibility.

The Department of Social and Rehabilitation Services (SRS) would have ultimate authority in designating local councils and must develop criteria for the formation of these councils.

Each council would develop a program and an implementation plan for the service area which shall ensure that training and education services provided in the program reflect local needs and resources, and that supportive services are provided to empower program participants. Existing local arrangements should be utilized wherever possible. The council would develop a program with a strategy for meeting the KanWork Mission Statement.

Membership: The following are suggested as members of local councils: Representatives of the local SRS area office; local Job Service Center staff of the Department of Human Resources (DHR); local service delivery area staff; local government; adult basic education centers; community colleges; vocational education institutions; universities; local chambers of commerce; employers; social services organizations; participants; and advocates.

Local Plan: The plan would include four basic parts:

- I. Proposal to remove barriers to employment
- II. Proposal for placement of clients in jobs
- III. Proposal for job development activities
- IV. Proposal for follow-up and evaluation

SRS, in consultation with DHR, the Department of Commerce and Housing (KDCH), and the State Board of Education (BOE), would consider the plan based on several factors, including the success of the local participants in bringing together key community players and resources.

and evaluating employment and related services for public assistance recipients. SRS, as the state's IV-A agency will continue to have the overall responsibility for the JOBS program administration. Under this proposal, SRS would have greater flexibility to contract for goods and services.

If a local council fails to submit an acceptable plan, SRS would have the authority to either contract with individual service providers (including DHR) or to provide services directly. SRS would also develop a proposal to remove barriers to employment, for placement of clients in jobs, and job development activities. The SRS plan would provide the same services as a local council (see II. B.). SRS would submit the plan to the council for review, as a local council would.

Human Resource Investment Council:

Establish a Human Resource Investment Council, chaired by a member from the private sector, to serve in an advisory role regarding workforce preparedness programs, including KanWork. Recent amendments to the Job Training Partnership Act (JTPA) allow Governors to establish Human Resource Investment Councils to consolidate existing advisory councils required by a range of federal workforce preparedness programs.

In Kansas, this could mean the consolidation of the Kansas Council on Employment and Training (KCET), the KanWork Interagency Coordinating Council, and the Kansas Council on Vocational Education. Under the JTPA amendments, incorporation of the Council on Vocational Education requires the existing council's approval.

Specifically with regard to KanWork, the HRIC would oversee planning activity to realize the proposed transformation to a decentralized system. This council would serve in an advisory role to the Secretary of SRS and would review and evaluate local plans. As previously noted, SRS, with assistance from DHR would develop the criteria for plan approval or disapproval.

The Council would review client assessment tools recommended by SRS, with consultation from DHR and DOE.

The Council would review all local plans and serve in an advisory capacity to the Secretary.

The Council would review the criteria established by the Secretary of SRS to determine program effectiveness.

The Council would provide general oversight of the KanWork program to ensure cooperation at all levels of government and among the private sector to avoid duplication among agencies and programs.

The Council would be chaired by a representative of the private sector and would specifically include client membership.

Department of Human Resources:

DHR would assist SRS in developing criteria for decisions on local plan approval, evaluation measures and client assessment tools. In addition, local DHR staff would serve as representatives on local councils and would provide services or serve as a contractee to local councils. Where there is no local council or plan, SRS could contract with the DHR for job training and placement services. This would effectively remove the mandate to refer job ready clients to DHR, and would leave that choice to the local councils.

III. PROGRAM DESIGN

A. Program Participants

Volunteers represent the client population to be accorded the foremost priority. Cash assistance recipients shall apply to participate in the KanWork program and shall receive services on a first-come, first-serve basis. However, selection of clients must take into account the federal mandate that 55 percent of JOBS expenditures be on behalf of certain targeted populations. SRS would take specific steps to recruit members of these targeted populations. A procedure for addressing both objectives should be developed by SRS. The Secretary would have the authority to modify funding to ensure that those federal requirements are met.

This plan assumes that an advocate (case manager) would be assigned to each client. This advocate would be located in the community or could be a local SRS employee where no local council or plan exists. This plan assumes reasonable caseloads per advocate (no greater than 50) and assumes follow-up services. This plan also assumes KanWork clients would have only one advocate and that advocacy would continue until the client ends the association.

B. Client Assessment

1. Uniform Up-front Assessment

SRS, DHR, and BOE must cooperate in developing up-front uniform assessments that local service providers would use in assessing social service, education, and employment needs of the client.

If the initial up-front assessment, or a subsequent assessment after 30 days, reveals certain barriers that render the client unable to benefit from KanWork services at this time, the client would be referred to other services (substance abuse, vocational rehabilitation) and would not, at least initially, be served by the JOBS program.

IV. DATA COLLECTION AND MEASUREMENT

Mechanisms to collect usable data and translate that data into information for managers and policymakers are critical components in measuring and evaluating desired program results.

SRS is directed to work with DHR and other entities involved in work force preparation and training activities to develop common data collection and reporting tools. SRS is directed to develop reporting criteria for use by the local councils in monitoring and tracking program results. Data collection at the local level must be uniform. Data collection must be sufficient to allow a two-year tracking of job retention statistics. The Human Resources Investment Council would oversee the development of data collection and measurement tools.

A mechanism needs to be established to capture the total costs from all sources of serving KanWork clients. This would include other resources beyond those directly budgeted in the SRS budget for KanWork. Usable and relevant on client demographics must also be collected.

The reporting design should also build in control groups to allow KanWork and nonKanWork results to be compared. As far as possible, the control group should have the same experiences and motivations as the target group.

V. PROGRAM EVALUATION

The Secretary of SRS would be charged to establish specific measures to determine the program's effectiveness in meeting the stated goal of client self-sufficiency. SRS would work with DHR, KDCH, and BOE through the Human Resources Investment Council in establishing these measures. Reporting forms and data collection requirements would be

developed for the local council reporting requirement. Contracts or grants to local councils or local service providers would require follow-up assessments and reporting of measurable results. Measurable results must reflect variations in services included in local plans.

Job retention statistics and client characteristics would be collected and analyzed for a 24-month period.

The following are intended to serve as measures of success in meeting the stated mission (outcome) of economic self-sufficiency.

Examples of measures of economic self-sufficiency for KanWork clients:

- Reduction in the level of public assistance grant
- Reduction in number of clients receiving cash grant because employed
- Reduction in number of clients receiving food stamps
- Reduction in number of clients receiving medical assistance
- Number of clients returning to public assistance

Examples of measures of jobs received:

- Nature of job (public/private sector; manufacturing or service; correlation of job to training)
- Average starting wage
- Full-time or part-time employment
- Client progress over time in jobs (salary; responsibilities)
- Client benefits provided by employer
- Job retention period
- On-the-job training or continuing education provided by employer

As part of its administrative duties, SRS would compile and analyze the measurable results and provide that information to the Human Resources Investment Council, the local councils, the Governor and the Legislature.

In addition, an independent, outside program evaluation would be required on an annual basis.

VI. IMPLEMENTATION ISSUES

This involves a major shift in program operation both in terms of program administration and client participation.

1. The budget for KanWork needs to be flexible to allow those shifts to occur. As local

plans are submitted, the Secretary needs the flexibility to shift funds from state operations to grants and contracts. Over the short term, some SRS staff would continue to serve as direct caseworkers; others would shift more to the role of community program consultant.

2. There would be enhanced authority for the Secretary of SRS to contract for services; exemptions would be granted from the state's RFP process in a similar fashion to the practices of KDCH for its training programs.

3. In order to allow an opportunity for legislative input, SRS should report to the Joint Committee on Children and Families in November 1993, on its progress in planning for the transition to a more locally-based delivery system.

VII. CONNECTION TO OTHER INITIATIVES

A. Creating Tomorrow (H.B. 2485)

In order to be successful, the KanWork program must be coordinated with the state's other work force training and education programs. H.B. 2485 would establish a Kansas Commission on Training for Tomorrow charged with the development and initiation of a strategy for a comprehensive work force training and education system in Kansas. This bill would involve active participation of the agencies participating in the KanWork program. The bill was designed to correspond to, and serve as a vehicle for, a proposal Kansas will be submitting in response to a request for proposal from the National Conference of State Legislatures and Jobs for the Future. However, the bill was designed to stand on its own in the event that the state's proposal is not selected.

C. Welfare Reform Proposals

Any plan designed to assist public assistance recipients in becoming self-sufficient must also remove current barriers in the assistance system. Examples of disincentives in the current system include the shared living penalty and the level of earned income disregard. Other possible disincentives include the duration and extent of transitional services (medical, transportation and child care) provided by the JOBS program. The restructuring of the KanWork program is only the first step in comprehensive reform of the public assistance system. SRS has a task force meeting on this topic. The House Subcommittee has recommended an interim study to review the task force's proposals and has recommended that those proposals be incorporated into the agency's FY 1994 budget submission.

DRAFT

Tentative Strategic KanWork Plan

I. KanWork Mandates

- A. The Kansas Department of Social and Rehabilitation Services (SRS) shall establish and operate a Job Opportunities and Basic Skills (JOBS) Program (KanWork Program) under a JOBS Plan approved by the Secretary of the U. S. Department of Health and Human Services (HHS).
- B. SRS shall be responsible for the planning, integration, coordination and evaluation of employment and related services for public assistance recipients.
- C. Appropriate state and local agencies shall cooperate with SRS in implementing Mandate I. B.
- D. KanWork shall provide services to assist eligible public assistance recipients to move toward becoming self-sufficient. "Self sufficient" shall mean the participant is no longer eligible for cash assistance because of employment, child support and/or other available resources.
- E. KanWork services shall include, but not limited to, participant assessment and goal setting through written agreements for self sufficiency; supervised and unsupervised job search; job club workshops; employment counseling; job training and education; support services, including referral to community resources; job placement; community work experience; and transitional services.
- F. The Kansas Department of Human Resources (DHR) shall provide services to KanWork participants referred by SRS after being determined to be job ready. "Job ready" shall mean the participants are ready to receive services which allow them to compete successfully in the labor market, and to begin employment-seeking activities.

II. KanWork Stakeholders, And Their Interests And Expectations

- A. Participants: Timely individualized services, training and support of their choice to enable them to support their families without cash assistance.
- B. Legislature: Reduction of the rate of growth in the number of cash assistance recipients and in the aggregate cost of cash assistance through the provision of services leading to employment and avoidance of long-term dependency.
- C. SRS: Provision of KanWork services and facilitation of other services in order to enhance and empower Kansas individuals and families for self-sufficiency, to avoid the need for other more costly social services, and in order to receive Federal funding for Aid To Families With Dependent Children (AFDC).

- D. DHR: Close coordination with SRS in the provision of quality employability services to KanWork participants.
- E. Employers: Availability of a pool of qualified workers and qualification for monetary incentives such as targeted job tax credits and on-the-job training subsidies.
- F. Education System: Interagency coordination for the provision of relevant educational services to meet the needs of KanWork participants and their families, and the receipt of increased funding for these additional services.
- G. Job Training Partnership Act (JTPA) Service Delivery System: Coordination to provide services to the JOBS (KanWork) population to meet targeting requirements and performance standards.
- H. Local Communities: Provision of KanWork services to improve the quality of life in communities and the coordination of community service delivery.
- I. Kansas Council on Employment and Training (KCET): Efficient coordination of interagency efforts and resources to meet all employability needs of KanWork participants.
- J. KanWork Interagency Coordinating Committee (KICC): Oversight, acquisition and assurance of coordination and commitment of effort and resources for the implementation of the Kanwork Program.
- K. HHS: Effective implementation of the Federal JOBS Program.
- L. Local KanWork Service Providers: Accurate definition of services, timely payment for services, and coordination of services with participant needs.

III. KanWork Mission

KanWork exists to make long-term investments in the human capital of the State of Kansas; to maximize the effectiveness of public resources; to empower individuals and families to move toward self-sufficiency; and to develop opportunities for present and future generations to escape dependence on public assistance as a way of life.

IV. KanWork Vision

- A. KanWork will slow the growth of cash assistance costs by reducing the number of long-term recipients.
- B. KanWork participants will receive individually-tailored services which facilitate the achievement of their self-sufficiency goals.
- C. Kansas employer needs will be fulfilled by well-prepared KanWork participants.

- D. KanWork will support Kansas educational system reforms to deliver competencies required of the State's workforce.
- E. All agencies and organizations, in order to impact positively on the lives of KanWork participants, will cooperatively operate a system of "seamless service delivery."
- F. KanWork will be committed to continuous quality improvement with informed decision-making based on employee participation, feedback from consumers, analysis of data from monitoring, and evaluation of services and outcomes.

V. KanWork Issues

- A. Roles and responsibilities of all participating agencies and organizations must be clearly defined and understood by all.
- B. KanWork has inadequate resources to achieve its mission and vision.
- C. KanWork has not had a clear mission and vision, with outcomes defined, and agreed upon by the Governor, Legislature and participating agencies.
- D. KanWork does not have the data necessary to manage, market and evaluate the Program.
- E. KanWork does not have State criteria to target its limited resources which are outstripped by the number of potential participants.
- F. Conflicts exist between Federal and State laws regarding the roles of participating State agencies, target participant groups, participation rates and transitional services.
- G. KanWork does not have the resources to provide a comprehensive assessment of potential participants in order to ascertain the individualized services they need.
- H. SRS philosophy perpetuates recipient dependency instead of self-sufficiency.
- I. KanWork is not linked effectively to State workforce and economic development strategies.
- J. KanWork participants are not educationally prepared to be successful in the Kansas workforce.
- K. KanWork suffers from negative public images.

VI. KanWork Goals

- A. To achieve agreement among KanWork participating agencies on their respective responsibilities and roles. (The achievement of this goal, which is the responsibility of all participating KanWork agencies, would resolve Issue V. A.)

- B. To specify the resources needed to achieve the KanWork mission, vision and goals, and to develop a strategy to match resources with needs. (The achievement of this goal, which is the responsibility of all participating KanWork agencies, would resolve Issue V. B.)
- C. To gain consensus from the Governor, Legislature and participating agencies on KanWork's mission, vision and outcomes. (The achievement of this goal, which is the responsibility of all participating KanWork agencies, would resolve Issue V. C.)
- D. To develop and implement a system which defines and collects participant and program data which will allow the management, marketing and evaluation of KanWork. (The achievement of this goal, which is the responsibility of SRS, would resolve Issue V. D.)
- E. To develop targeting criteria which focus the available resources in such a way as to achieve the desired outcomes. (The achievement of this goal, which is the responsibility of SRS with input from DHR and the Kansas Department of Education (DE), would resolve Issue V. E.)
- F. To develop proposed modifications to the KanWork statute to address inconsistencies with the Federal JOBS law, and/or seek waivers from the JOBS requirements. (The achievement of this goal, which is the responsibility of SRS with input from DHR and DE, would resolve Issue V. F.)
- G. To develop a universal and comprehensive assessment system to assist participants in determining their appropriate path to self sufficiency. (The achievement of this goal, which is the responsibility of SRS, DHR, JTPA Service Delivery System, and DE, would resolve Issue V. G.)
- H. To revamp the SRS culture by inculcating the philosophy of self sufficiency. (The achievement of this goal, which is the responsibility of SRS, would resolve Issue V. H.)
- I. To collaborate in the implementation of State economic and workforce development strategies. (The achievement of this goal, which is the responsibility of SRS with input from DHR and DE, would resolve Issue V. I.)
- J. To encourage and support changes in the Kansas educational system and identify appropriate educational services for KanWork participants. (The achievement of this goal, which is the responsibility of SRS with input from DHR, JTPA Service Delivery System, and DE, would resolve Issue V. J.)
- K. To identify and address the negative images and promote the benefits of the positive outcomes of KanWork to the Legislature and public. (The achievement of this goal, which is the responsibility of SRS with input from DHR, would resolve Issue V. K.)

The Next Steps

The Team reviews and perhaps revises its work to date on the tentative Strategic KanWork Plan. Is it complete? Is it clear? Is it consistent? Will the achievement of the goals resolve the issues and achieve the KanWork vision?

After reviewing and perhaps revising its work, the Team's next step is to rank order the KanWork goals. Please see the section entitled "Why Rank Order The Goals" on page 4 of the memorandum on the subject "KanWork's Mission, Vision And Goals," and dated December 14, 1992. Additional information will be provided to the Team immediately before it rank orders the goals.

The Team may want to discuss and decide if it is advisable or perhaps even necessary to obtain written approval of its work to date on the Plan before it begins to formulate the strategies of the Plan.

After rank ordering the KanWork goals, the Team's next step is to formulate strategies to achieve the goals in the Plan.

Guidance For Formulating KanWork Strategies

Each KanWork goal has a KanWork strategy for achieving it. At its meetings on January 6 and 26, The Team expressed an interest in formulating strategies for achieving the goals after it rank orders the goals. This section discusses the process of formulating strategies. Additional information will be provided to the Team immediately before it begins to formulate strategies.

A KanWork strategy is a pattern of decisions, actions, tactics, resources and other components for achieving one or more KanWork goals which, when achieved, resolves one or more KanWork issues. A KanWork strategy reflects plainly and follows logically its mandates, its stakeholders and their interests and expectations, and its mission and vision.

The notion that a strategy is a pattern is important. There must be a discernible cohesion among the decisions, actions, tactics, resources and other components of the strategy. The cohesion is based on the intention of participating KanWork agencies with respect to what is to be the interdependency or relation among the components. Without pattern, cohesion and intention, a strategy does not exist and will unlikely achieve its goal.

First, the Team identifies very briefly alternative possible KanWork strategies for achieving each KanWork goal. It looks beyond the obvious alternative strategies. It also searches for strategies that are used and successful elsewhere but are adaptable to KanWork. It also searches for strategies that are not currently used, but nevertheless are innovative and promising. The Team then chooses from the alternative possible strategies, that one strategy which is most likely to achieve each goal.

The Team discusses and decides the details of each chosen KanWork strategy for achieving each KanWork goal. Each goal states why its strategy exists. The Team formulates each KanWork strategy by discussing and deciding the answers to the following questions:

- o Who is accountable for implementation of the strategy?
- o Who is (are) to approve the strategy?
- o What are the specific action steps of the strategy?
- o Who is accountable for performing each action step?
- o When is each action step to be performed?
- o Where is each action step to be performed?
- o How is each action step to be performed?

The answers to these questions are the action steps and related factors that deal with decisions, actions, tactics, resources and other components of each strategy. Collectively, the answers constitute each strategy. Pattern, cohesion and intention must exist among the answers for each strategy.

Specific answers to the questions are required for each successful strategy. The Team realizes that strategy formulation begins where the participating KanWork agencies are at the present time with respect to achieving KanWork goals. It undertakes discussions and makes decisions pertaining to expertise, personnel, supplies, equipment, information, monies, etc, that are necessary for participating KanWork agencies to implement each strategy.

While making these strategic decisions, the Team asks and answers the following questions for each planned KanWork strategy:

- o Will the strategy achieve its goal?
- o Will the strategy be the least costly over the long-run?
- o Is the strategy do-able by employees of the KanWork participating agencies?
- o Is the strategy capable of accommodating advances in knowledge and technology?
- o Is the strategy capable of accommodating increases and decreases in the number of KanWork participants?
- o Is the strategy compatible with KanWork's enabling Federal legislation and regulations?
- o Is the strategy compatible with KanWork's Federal grant?
- o Is the strategy compatible with KanWork's enabling State legislation?
- o Is the strategy compatible with KanWork's State legislative appropriation?
- o Is the strategy compatible with non-KanWork strategies of participating KanWork agencies?

- o Is the strategy consistent with established ethical principles?

The Team may also want to ensure that certain strategies will resolve current and prevent future KanWork problems identified by the Legislative Post Audit Committee and the SRS Internal Audit.

It is most important that each KanWork strategy achieve its goal. A KanWork strategy that does not achieve its goal, even though it meets other criteria, is virtually worthless.

Guidance For The Next Meeting

The Team might want to consider the following items for the agenda of its next meeting. First, the Team reviews and, if necessary, revises its work to date on the tentative Strategic KanWork Plan. Second, the Team rank orders the goals statements, as explained above. Third, the Team begins to formulate strategies for achieving the goals, starting with its high-ranked goals, as explained above. The Team formulates strategies for low-ranked goals at future meetings.

There was also discussion among some Team members about composing KanWork participant outcomes objectives and outcomes performance indicators. Does the Team want to compose these objectives and indicators? If so, does the Team want someone from the Planning and Evaluation Unit to facilitate its composing of them?

If you desire to contact us before the next Team meeting, our telephone number is 913-296-0639. We look forward to working with the Team at its next meeting.

cc: Tina Taggart

Rita L. Wolf, Director, Management Services Division, Kansas Department of Social and Rehabilitation Services