

Approved: 2/17/94
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 16, 1994 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Gooch, Harris, Kerr, Petty, Ranson, Reynolds Salisbury, Steffes and Vidricksen

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee: Dr. Charles Warren, President, Kansas Inc.
Katie Krider, Director, Division of Employment and Training,
Kansas Department of Human Resources
James I. Knedler, Manager, Industrial Development Division,
Department of Commerce and Housing

Others attending: See attached list

Hearing and possible action on SB 639--Kansas Inc. underemployment survey

Dr. Charles Warren, President, Kansas Inc, testified SB 639 would fund three labor force surveys on 1) occupational projections, 2) annual wages, and, 3) extent and nature of underemployment in Kansas. This request is the result of a study by Kansas Inc., on the 14 Federal-State Job Training Programs. \$1,000,100 will be spent on these programs this fiscal year. \$300,00 is requested from the Economic Development Initiatives Fund in FY 1995 to finance the labor force surveys. The proposal was made on behalf of the State Department of Education, The Kansas Department of Human Resources, and the Kansas Department of Commerce and Housing. He also stated the State Department of Education, in order to receive federal funds, is required by the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 to submit the results of a statewide wage and occupational demand survey through the year 2000.

SB 639 provides for a permanent Work Force Survey Oversight Committee to assist in the conduct of the three surveys and to ensure that the methodologies employed, the subsequent updating, and the application and dissemination of the survey results are appropriate and meet the objectives of the various users and audiences. The proposed methodologies for the occupational projections survey and the Kansas Wage Survey will be conducted by the Division of Labor Market Information Systems in the Department of Human Resources. The underemployment survey will be conducted under a contract with the Institute for Public Policy and Business Research at the University of Kansas. The handout by Dr. Warren was originally distributed to the Committee on January 25, 1994, and is attached to those minutes.

Dr. Warren, in response to a Committee question, stated amendments to SB 639 have been prepared that will change the \$300,000 appropriation to the Kansas Department of Human Resources from Kansas Inc.

Katie Krider, Director, Division of Employment and Training, Kansas Department of Human Resources, testified the labor force surveys are crucial to Kansas workforce development. Workforce development is broadly divided into three major policy areas: School-to-Work, Welfare-to-Work, and Work-to-Work. She explained these policy areas in her handout, see attachment 1. A balloon to SB 639 was also part of attachment 1. The proposed amendments establish the workforce survey oversight committee fund in the state treasury. The bill provides that the Director of Accounts and Reports transfer \$300,000 from the Kansas Economic Development Endowment Account of the State Economic Development Initiatives Fund of the Department of Commerce and Housing to the Workforce Survey Oversight Committee Fund of the Department of Human Resources.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on February 16, 1994.

James I. Knedler, Manager, Industrial Development Division, Department of Commerce and Housing, testified the Kansas wage survey is important and useful to the Department of Commerce and Housing. It provides ready and consistent figures that can be provided to businesses evaluating the Kansas business climate, see attachment 2.

The hearing on SB 639 was closed.

Senator Ranson moved and Senator Steffes seconded to adopt the minutes of February 14 and 15, 1994. The motion carried on a voice vote.

The Chairman adjourned the meeting at 9:00 a.m.

The next meeting is scheduled for February 17, 1994.

GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

DATE: 2/16/94

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TESTIMONY

Senate Commerce Committee
8:00 am, February 16, 1994
Katie Krider, Director
Division of Employment & Training
Kansas Department of Human Resources

Madame Chair, members of the Committee, I am pleased to join Dr. Warren in supporting Senate Bill 639. He has explained to you why State funding for the occupational projections, wage survey and underemployment study came to be included in the 1994 Legislative Initiatives endorsed by Kansas Inc., and I would like to focus on the reasons why they are so crucial to Kansas workforce development, which is a cornerstone of Kansas economic development.

Workforce development can be broadly divided into three major policy areas: School-to-Work, Welfare-to-Work, and Work-to-Work.

School-to-Work

Currently, our K-12 school systems do not adequately address the needs of the 75% of Kansas students who do NOT graduate from college. If we continue to throw away those kids, we cannot build the Kansas economy, which will depend on a high-skilled workforce. Kansas needs policies and initiatives to assure that ALL students leaving high school are prepared for their future, whether that is college, technical training, or a job. As we begin to develop comprehensive strategies for education reform, it is clear that the occupational projections and wage survey information is crucial for educators, so that counseling and curriculum can reflect jobs which will be available when students are ready to enter the Kansas workforce.

Welfare-to-Work

Able-to-work welfare recipients need to receive the education and training they need to become self-sufficient tax-payers rather than receivers of public assistance. It is clear that it is a true investment in human capital to provide education and training to public assistance recipients in order to transform them into tax-payers rather than tax-users. But public funds which are expended on the KanWork program and other programs for the disadvantaged must be carefully targeted so that training is provided only for occupations for which there is projected growth, and which provide the income to make it economically feasible to support a family without an AFDC check and medical card.

Several years' worth of Kansas data reveals that nearly half of the clients in the State's "second-chance" programs such as KanWork and JTPA are functionally illiterate (with reading and math skills inadequate to perform entry-level job responsibilities). Current

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Attachment 1-1

resources for adult basic education and remediation are inadequate to provide the remediation which is necessary for these clients to go on to further vocational and technical training.

Work-to-Work

Kansas workers who lose their jobs with no chance for reemployment in the same occupation must be provided with a comprehensive array of information and services which will enable them to become re-employed in an occupation with future stability. Clearly, they need information on what jobs ARE the jobs of the future, and they need realistic wage information to enable them to chart the best course for their future.

Kansas Program Needs for Data

As Education Commissioner Droegemueller has informed this Committee, it is a federal mandate (as required by the Carl Perkins Vocation and Applied Technology Act of 1990) to submit in the State Plan the results of a statewide wage and occupational demand survey through the year 2000. Additionally, the Commissioner noted, educational institutions throughout Kansas depend on these survey results to counsel students, approve programs, and to make decisions regarding the needs of Kansas business and industry.

For obvious reasons, the training programs administered by the Kansas Department of Human Resources and the Kansas Department of Social & Rehabilitation Services, most notably JTPA and KanWork, are dependent on current wage data and occupational projections. Training in these programs can only be provided in occupations which show future promise of providing self-sufficiency.

Attached to my testimony are our suggestions to enhance SB 639.

SENATE BILL No. 639

By Committee on Commerce

2-1

AN ACT concerning economic statistics; authorizing surveys of Kansas wage, occupation and underemployment data;

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

Section 1. Subject to subsequent acts of the legislature pertaining thereto, there is hereby established within Kansas, Inc. a work force survey oversight committee. The committee shall consist of the president of Kansas, Inc., a representative of the department of commerce and housing, a representative of the state department of human resources, a representative of the department of social and rehabilitation services, the chair of the Kansas council of employment and training, the chair of the job service employers committee and a representative of the institute for public policy and business research of the university of Kansas.

(a) The committee shall oversee the ~~collection of occupational, wage and underemployment data.~~

(b) The committee shall meet annually to determine if subsequent updates of existing surveys are required or if changes in methodology or survey procedures are desirable.

(c) The committee shall see that the results of all surveys performed pursuant to this act are disseminated to education and job training officials, private employers, labor unions and local economic development officials.

[Sec. 2.] The committee shall report annually to the senate commerce committee and the house economic development committee regarding the data collected and possible conclusions suggested by that data.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

, making and concerning appropriations for the fiscal year ending June 30, 1995, for the department of human resources

the department of human resources

to include the agency's Federal Cooperating Representative for the U. S. Department of Labor, Bureau of Labor Statistics

development of occupational projections, wage survey collection,

and possible

(d)

(e) There is hereby established the workforce survey oversight committee fund in the state treasury. All expenditures from the workforce survey oversight committee fund shall be for operating expenditures of the committee, including any contracts for consulting services, and shall be in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of human resources or the secretary's designee.

Sec. 2.

DEPARTMENT OF HUMAN RESOURCES

(a) There is appropriated for the above agency from the following special revenue fund all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:

Workforce survey oversight committee fund..... No limit

(b) On July 15, 1994, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$300,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the workforce survey oversight committee fund of the department of human resources.

(c) This act shall not be subject to the provisions of subsection (a) of K.S.A. 1993 Supp. 75-6702 and amendments thereto.

July 1, 1994, and

Bill Lays

1-2

The Kansas wage survey is important and useful to the Department of Commerce & Housing because it provides us with ready and consistent figures that can be provided to businesses evaluating the Kansas business climate.

We appreciate the fact that Senate Bill 639 will allow a Department of Commerce & Housing representative, along with others, to be involved with the collection of data, methodology, and dissemination of the wage survey. The following points are relevant to these issues.

- * Survey be compiled by regions (the more localized, the better; understanding the disclosure problems).
- * Survey should be comprehensive as possible in terms of the overall response from Kansas companies.
- * Survey be updated annually.
- * Survey should include job classifications within specific industries.
- * The ability to access the survey through software for individual industries, i.e. plastics. This would allow us to send only relevant information to our clients.

We look forward to working with Kansas Inc. and other agencies to produce the best results possible.

I'll be happy to answer any questions.

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Attachment 2