

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 21, 2000 in Room 123-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Richard E. Beyer, Secretary, Kansas Department of Human Resources
Philip S. Harness, Director, Workers Compensation Division
Linda Tierce, Employment Security Division

Others attending: See attached list

Richard E. Beyer, Secretary, Kansas Department of Human Resources (KDHR), testified the Department has restructured its organizational chart. (Attachment 1) KDHR is not a personnel department for the state, but the lead agency, together with SRS, Department of Education, Board of Regents, and the Department of Commerce and Housing to cultivate a job ready workforce and a workplace environment to fuel economic growth for Kansas. To achieve this goal, it is necessary to improve the health and safety of workplaces, establish and maintain an efficient labor exchange environment, establish a technology platform and on-going technology delivery capability matched to the agency's continuing operational context and service delivery model and in step with the State's information technology plan, and deliver a superior return on "investment" dollars. Secretary Beyer testified the State will be in compliance with the Workforce Investment Act as of July 1, 2000. (Attachment 2)

Philip S. Harness, Director, Division of Workers Compensation, testified the Division hired a technology consultant and will have its project plan ready for bids in the near future. Mr. Harness advised that as a result of the changes in the law relating to fraud and abuse, the files have multiplied significantly and there have been an increase of referrals to county attorneys. Mr. Harness distributed the Division's 25th Annual Report to the Committee. The Report is comprised of three parts: Administrative Profiles, Accident and Disease Statistics, and Closed Claim Study. (a copy of the Report is on filed in the Legislative Research Department)

Linda Tierce, Employment Security Division, testified the most current rate of employment was for November 1999 and was 3.3%, the lowest rate since 1979. As a result of the low unemployment, the Division has been able to decrease its personnel by 30 positions and cut its budget by \$680,000. Ms. Tierce stated that the Employment Security Trust Fund presently contains \$469 million. The minimum amount to be maintained in the Trust Fund is \$500 million, based on a formula of payouts at the highest rate for a period of 1 year and 11 months. The federal government standard is 18 months. The unemployment tax, which went back into effect January 1, 2000, is up to 1.90 and 6.4 for negative balance employers.

Ms. Tierce testified that three call centers have been established in Wichita, Kansas City and Topeka, and replace the previous seven walk-in centers. Ms. Tierce stated 800 lines have been installed to handle all unemployment information. 17,530 claims were filed during the last 6 week.

Senator Barone raised a concern about the availability of unemployment staff during times of the day when clients are able to avail themselves of the services.

Secretary Beyer introduced the remainder of his administrative staff.

CONTINUATION SHEET

Senator Barone moved, seconded by Senator Gooch, that a Committee bill be introduced relating to licensure of electricians, 9RS 1488. The vote was unanimous in favor of the motion.

Senator Feleciano moved, seconded by Senator Ranson, that the Committee reconsider action previously taken to approve the Minutes of the January 19,2000 meeting and to approve revised minutes with the addition of “6) barriers to entry and use of market forces;” in the request for legislation to address issues raised in the KCC Telecommunications round table discussions. The vote was unanimous in favor of the motion.

The Committee adjourned at 9:00 a.m.

The next meeting is scheduled for January 24, 2000.