

Approved: 3/1/07  
Date

## MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:04 A.M. on February 02, 2007 in Room 231-N of the Capitol.

All members were present except:  
Brenda Landwehr- excused  
Ronnie Metsker- excused

Committee staff present:  
Jerry Ann Donaldson, Kansas Legislative Research Department  
Dustin Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:  
Jim Garner, Secretary, Department of Labor

Others attending:  
See attached list.

The Chairman reminded the committee of the schedule for next week.

The Chairman introduced the guest speaker, Jim Garner, Secretary, Department of Labor and asked him to continue his remarks from yesterday's meeting.

The Secretary spoke of the need and the Department's efforts to modernize the computer systems and the problems that were associated with the US Congress extension of benefits to the aviation industry. Then he proceeded to explain the Department's reactions to the Post Audit recommendations.

Recommendation # 1 was to revoke the November 6<sup>th</sup> regulation and enforce registration and automate the process. His reply stressed the social and political consequences of denying benefits to eligible recipients based on this recommendation. He also said that automation of the process takes time and resources and also involves the Department of Commerce.

Recommendation # 2 was to improve the registration process and simplify it. He expressed a desire to do this but stressed again that it requires time and resources and involves the Department of Commerce. He mentioned the difficulty encountered in updating the computer programs for the November 6<sup>th</sup> regulations.

Recommendation # 3 was to have supervisory staff spot check compliance. He said that the supervisory staff were working supervisors doing the same things that the regular staff does plus supervisory work. He mentioned the 5% reduction in funding for Unemployment Insurance and the 3.5% increase in wages for the staff which reduced available resources by 8.5%.

At this point the floor was opened for questions.

Representative Goico: Can people get services online?

There is no law requiring the people to get services, only to register. There are limited slots for training. The program you are asking about is in the Department of Commerce.

Representative Ruff: Can you give us the cost of the computer upgrade? Answer: No. Where did the "technical overpayment" language come from?

It is the vernacular used by the US Department of Labor. The technical overpayments are not a violation or fraud. Those receiving them are not freeloaders or gold diggers. They represent legitimate benefits.

Representative Tietze: Could a connection to other job services be made that would eliminate the problem? Answer: That is a good idea.

Representative Gordon: How can we get this data earlier?

I am really worried about the system crashing. The state is slow to keep up with technology.

## CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:04 A.M. on February 02, 2007 in Room 231-N of the Capitol.

Representative Huntington: Can we determine what is need and the cost to do it?

Some other states have automated the process and we can discover the cost from them.

Representative Kiegerl: Mentioned the Olathe News article and ask if the Department was considering any other solutions?

The Secretary indicated that required a policy decision of the legislature. He said that they had considered modifying the November 6<sup>th</sup> regulation.

Representative Grant: Asked a question about connecting the two programs.

The Commerce web site requires more information that the Labor web site does. However there is duplication of information required. If we can work on that it would be helpful.

Representative Grange: Who paid for the aviation extension. Answer: The Federal Government. We need to stress getting in contact with Work Force. The perception is that Labor is only concerned with the benefits and not job search.

The funds are in trust and may only be used for benefits.

Representative Huntington: Is it possible to record other work search activity?

I don't know if we are doing that now. I do know that we are in the middle of a philosophy change to a more employer based effort.

Representative Roth made a motion that the committee thank the Secretary and take no action regarding the Post Audit report. Representative Grant seconded. Discussion followed. The vote was called and passed unanimously.

The Chairman adjourned the meeting at 10:15 A.M.