AN ACT concerning the division of workforce development of the
department of commerce; abolishing the division and transferring its
powers, functions, assets and liabilities to the department of labor;
amending K.S.A. 2016 Supp. 72-4427, 72-4460, 74-32,151, 74-32,160,
74-5002y, 74-50,209 and 75-5701b and repealing the existing sections;
also repealing K.S.A. 2016 Supp. 74-5002s, 74-5002t, 74-5002u, 74-
5002v, 74-5002w, 74-5002x and 75-5701a.

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

New Section 1. As used in this act:
(a) "Division of workforce development" or the "division of
workforce development within the department of commerce" means the
division within the department of commerce created by K.S.A. 2016 Supp.
75-5701a, prior to its repeal, and except as otherwise provided, includes all
powers, duties and functions transferred to that division or to the secretary
of commerce by K.S.A. 2016 Supp. 75-5701a, prior to its repeal, and all
powers, duties and functions of that division in existence immediately
prior to the effective date of this act, whether that division is known as the
division of workforce development, the workforce services division or
another name.

(b) "Director of workforce development" means the head of the
division within the department of commerce created by K.S.A. 2016 Supp.
75-5701a, prior to its repeal, whether known as the director of workforce
development, the director of workforce services or another title.

New Sec. 2. There is hereby established, within the Kansas
department of labor, a division of workforce and employment
development. The head of the division shall be the director of workforce
and employment development, who shall be appointed by and serve at the
pleasure of the secretary of labor. The director shall be in the unclassified
service under the Kansas civil service act and shall receive an annual
salary fixed by the secretary of labor, with the approval of the governor.
Under the supervision of the secretary of labor, the director of workforce
and employment development shall administer the division of workforce
and employment development.

New Sec. 3. (a) The division of workforce development within the
department of commerce created by K.S.A. 2016 Supp. 75-5701a, prior to
its repeal, is hereby abolished. On the effective date of this act, the division of workforce development of the department of commerce is hereby renamed the division of workforce and employment development of the department of labor.

(b) Except as otherwise provided by this act, all of the powers, duties and functions of the division of workforce development within the department of commerce and of the director of workforce development in existence immediately prior to the effective date of this act are hereby transferred to and imposed upon the division of workforce and employment development within the department of labor and the director of workforce and employment development established by this act.

(c) (1) Except as otherwise provided by this act, all of the powers, duties and functions of the division of workforce development and the secretary of commerce that relate to labor exchange and training, including, but not limited to, those powers, duties and functions that relate to the Kansasworks state board or local workforce development boards, are hereby transferred to and imposed upon the division of workforce and employment development of the department of labor and the secretary of labor.

(2) Notwithstanding the provisions of subsection (c)(1), both the secretary of commerce and the secretary of labor shall continue to be ex officio members of the commission on disability concerns.

(3) Notwithstanding the provisions of this section, the following powers, duties and functions of the division of workforce development within the department of commerce shall remain powers, duties and functions of the department of commerce:

(A) Powers, duties and functions relating to the Kansas investments in major projects and comprehensive training or IMPACT act, K.S.A. 74-50,102 et seq., and amendments thereto;
(B) powers, duties and functions relating to the university engineering initiative act, K.S.A. 2016 Supp. 76-7,136 et seq., and amendments thereto; and
(C) powers, duties and functions relating to the innovation growth program or commerce university partnerships program or its steering committee.

New Sec. 4. (a) The division of workforce and employment development within the department of labor and the director of workforce and employment development established by this act shall be the successor in every way to the powers, duties and functions of the division of workforce development within the department of commerce and the director of workforce development in which the same were vested prior to the effective date of this act and that are transferred pursuant to section 3, and amendments thereto. The department of labor and the secretary of
labor shall be the successor in every way to the powers, duties and functions of the department of commerce and secretary of commerce in which the same were vested prior to the effective date of this act and that are transferred pursuant to section 3, and amendments thereto. Every act performed in the exercise of such transferred powers, duties and functions by or under the authority of the department or secretary of labor or the division or director of workforce and employment development within the department of labor shall be deemed to have the same force and effect as if performed by the department or secretary of commerce or the division or director of workforce development within the department of commerce in which such powers, duties and functions were vested prior to the effective date of this act.

(b) Whenever the division of workforce development of the department of commerce, or words of like effect, are referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the division of workforce and employment development of the department of labor established by this act.

(c) Whenever the director of workforce development within the department of commerce, or words of like effect, are referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the director of workforce and employment development within the department of labor established by this act.

(d) Whenever the division of workforce development of the department of commerce, the department of commerce or the secretary of commerce, or words of like effect, are referred to or designated by a statute, contract or other document and such reference is in regard to any of the powers, duties or functions transferred to the department of labor or secretary of labor pursuant to this act, such reference or designation shall be deemed to apply to the department of labor or the secretary of labor.

(e) All rules and regulations, orders and directives of the secretary of commerce or the director of workforce development of the department of commerce which relate to the functions transferred by this act and which are in effect on the effective date of this act shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the secretary of labor or the director of workforce and employment development of the department of labor until revised, amended, revoked or nullified pursuant to law.

New Sec. 5. (a) On the effective date of this act, the balances of all funds or accounts thereof appropriated or reappropriated for the department of commerce relating to the powers, duties and functions transferred by this act are hereby transferred within the state treasury to the
department of labor and shall be used only for the purpose for which the
appropriation was originally made.

(b) On the effective date of this act, liability for all accrued
compensation or salaries of officers and employees who are transferred to
the department of labor under this act shall be assumed and paid by the
department of labor.

New Sec. 6.  (a) When any conflict arises as to the disposition of any
property, power, duty or function or the unexpended balance of any
appropriation as a result of any abolition or transfer made by or under the
authority of this act, such conflict shall be resolved by the governor, whose
decision shall be final.

(b) The department of labor shall succeed to all property, property
rights and records which were used for or pertain to the performance of
powers, duties and functions transferred to the department of labor. Any
conflict as to the proper disposition of property, personnel and records
arising under this act shall be determined by the governor, whose decision
shall be final.

New Sec. 7.  (a) No suit, action and other proceeding, judicial or
administrative, lawfully commenced, or which could have been
commenced, by or against any state agency or program mentioned in this
act, or by or against any officer of the state in such officer's official
capacity or in relation to the discharge of such officer's official duties, shall
abate by reason of the governmental reorganization effected under the
provisions of this act. The court may allow any such suit, action and other
proceeding to be maintained by or against the successor of any such state
agency or any officer affected.

(b) No criminal action commenced or which could have been
commenced by the state shall abate by the taking effect of this act.

New Sec. 8.  (a) All officers and employees of the division of
workforce development within the department of commerce who,
immediately prior to the effective date of this act, are engaged in the
exercise and performance of the powers, duties and functions transferred
by this act, who are determined by the secretary of labor to be engaged in
providing professional, administrative, technical and other support services
that are essential to the exercise and performance of the powers, duties and
functions transferred by this act, are hereby transferred to the department
of labor. All classified employees so transferred shall retain their status as
classified employees.

(b) Officers and employees of the department of commerce
transferred by this act shall retain all retirement benefits and leave
balances and rights which had accrued or vested prior to the date of
transfer. The service of each such officer and employee so transferred shall
be deemed to have been continuous. Any subsequent transfers, layoffs or
abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this act shall affect the classified status of any transferred person employed by the department of commerce prior to the date of transfer.

Sec. 9. K.S.A. 2016 Supp. 72-4427 is hereby amended to read as follows: 72-4427. The secretary of commerce labor and the state board of regents are hereby authorized to participate in the federal workforce investment act (public law 105-220), and amendments thereto, by providing from funds made available under the federal act and appropriated by the legislature for vocational training in accordance with and to the extent required by the federal act.

Sec. 10. K.S.A. 2016 Supp. 72-4460 is hereby amended to read as follows: 72-4460. As used in this act:

(a) "Board of regents" means the state board of regents provided for in the constitution of this state.

(b) "Career technical workforce grant" means the award of a financial grant-in-aid by this state under this act to an eligible student.

(c) "Designated career technical education program" means a program operated at the postsecondary level by a designated educational institution that has been identified by the Kansas board of regents, working in conjunction with the Kansas department of commerce labor, as a high cost, high demand or critical industry field program.

(d) "Designated educational institution" means an educational institution that: (1) Has been identified by the Kansas board of regents, working in conjunction with the Kansas department of commerce labor, as delivering programs that are high cost, high demand or in a critical industry field; (2) is eligible to receive federal title IV funding; and (3) has its main campus or principal place of operation located in Kansas.

(e) "Eligible career technical education program" means a designated career technical education program operated at the postsecondary level by a designated educational institution.

(f) "Eligible student" means a person who: (1) Is a resident of Kansas; (2) has graduated from a high school accredited by the state board of education or has received general educational development credentials issued by the board of regents, or has graduated from a home school program or a nonaccredited private secondary school, as defined and authorized pursuant to K.S.A. 72-53,100 et seq., and amendments thereto; and (3) is enrolled in or has been accepted for admission to an eligible career technical education program operated by a designated Kansas educational institution.

(g) "Program term" means 1/2 the duration of the period of time required for completion of a career technical education program when
such period of time encompasses more than one school year.  

(h) "Satisfactory performance" means retaining admission in and meeting the standards established by the Kansas educational institution being attended by the eligible student.  

(i) "School year" means the period of time beginning on July 1 in each calendar year and ending on June 30 in the succeeding calendar year.  

(j) "State board of education" means the state board of education provided for in the constitution of this state.

Sec. 11. K.S.A. 2016 Supp. 74-32,151 is hereby amended to read as follows: 74-32,151. (a) This section and K.S.A. 74-32,152 through 74-32,159, and amendments thereto, shall be known and may be cited as the workforce development loan program act.  

(b) As used in the workforce development loan act, "postsecondary educational institution" shall have the meaning ascribed thereto by K.S.A. 74-3201b, and amendments thereto.  

(c) Within the limits of appropriations and private contributions therefor, and in accordance with the provisions of this act, the state board of regents may award such loans to Kansas residents who are enrolled in or admitted to a technical college, community college, the institute of technology at Washburn university or associate degree programs at postsecondary educational institutions and who enter into a written agreement with the state board of regents as provided in K.S.A. 74-32,152, and amendments thereto.  

(d) The board of regents may accept any private contributions to the program. The chief executive officer of the board of regents shall turn such contributions over to the state treasurer who shall deposit such moneys into the workforce development loan fund.  

(e) After consultation with the secretaries of the Kansas department for children and families and the department of commerce labor, the board may establish a list of education programs in which an applicant must enroll to be eligible for a loan under this program.  

(f) The loans shall be awarded on a priority basis to qualified applicants who have the greatest financial need with the highest priority given to those applicants with the greatest financial need who were in foster care on their 18th birthday or were released from foster care prior to their 18th birthday after having graduated from high school or completing the requirements for a general educational development (GED) certificate while in foster care. All loans shall be awarded to resident students attending technical colleges, community colleges, the institute of technology at Washburn university or associate degree programs at postsecondary educational institutions. Special preference shall also be established for residents drawing unemployment compensation or such residents who were laid off from employment within the prior six months.
The board may also establish preferences for workers deemed to be eligible for North American free trade agreement transition assistance under United States department of labor standards or the Kansas department of labor standards.

(g) Loans awarded under this program shall be awarded on an annual basis and shall be in effect for one year unless otherwise terminated before the expiration of such period of time. Such loans shall be awarded for the payment of tuition, fees, books, room and board and any other necessary school related expenses.

Sec. 12. K.S.A. 2016 Supp. 74-32,160 is hereby amended to read as follows: 74-32,160. Financing of the workforce development loan program act shall be from moneys made available from the Kansas department of commerce labor received from the United States department of labor and the Kansas department for children and families received from the United States department of health and human services in accordance with the provisions of this section and in accordance with and subject to the provisions of Kansas appropriation acts.

The Kansas department of commerce labor shall provide funding for the purpose of this act which shall be limited to the use of federal department of labor workforce investment act funds which are returned to the state as unspent local WIA program year adult, youth and dislocated worker funds. Such unspent funds shall be converted to and identified as state-level set-aside funds for use in carrying out activities as provided under this act. The annual amount of such funds shall not exceed $500,000. The WIA set-aside funds shall be made available subject to the written approval from the United States department of labor authorizing the use of such for the purpose of this act and appropriated by the United States congress. Funding for this act by the Kansas department of commerce labor shall be contingent on the availability of WIA funding and shall terminate on or before the final WIA authorization date of June 30, 2005. Due to restrictions placed on the transfer of unspent federal funds to the state treasury and the need for timely disbursement of federal funds for WIA expenditures, the Kansas department of commerce labor shall develop in cooperation with the Kansas board of regents, a system for the reimbursement of actual expenses incurred pursuant to this act. Such reimbursement procedures shall be in compliance with acceptable federal department of labor and office of management and budget procedures established for the draw down and disbursement of federal WIA funds.

The secretary for children and families shall cooperate in the administration of the workforce development loan program act which may be funded with the $500,000 which is to be contributed annually by the Kansas department for children and families in accordance with and subject to the provisions of appropriation acts. When there is a candidate
that appears to meet the eligibility guidelines for federal funding administered by the Kansas department for children and families, the Kansas board of regents shall notify the Kansas department for children and families. Upon the approval of the Kansas department for children and families' of the candidate's eligibility, the director of accounts and reports shall transfer funding from the appropriate federal source as identified by the Kansas department for children and families to the Kansas state treasurer. All receipts and interest collected from repayments of federal funds transferred under the authority of this section shall be returned to the director of accounts and reports for reposit to the originating federal funding source.

Sec. 13. K.S.A. 2016 Supp. 74-5002y is hereby amended to read as follows: 74-5002y. Subject to the approval of the governor, the secretary of commerce is authorized to contract with federal government agencies, governmental entities of any state, and private not-for-profit corporations for the performance of data processing services and training.

Sec. 14. K.S.A. 2016 Supp. 74-50,209 is hereby amended to read as follows: 74-50,209. (a) The secretary of commerce shall provide access to workforce training for every qualified older Kansan who desires such training. To accomplish this, the secretary, in coordination with the area agencies on aging and the older Kansans employment program, shall prepare a strategic plan and amend the state plan as appropriate, to outline the proposed delivery of training to older Kansans. Such strategic plan shall be submitted to the legislature by August 1, 2006, and thereafter whenever the state plan is amended, and shall contain the following information:

(1) How resources may be used to ensure every qualified older Kansan has access to workforce development;

(2) the minimum amount of money the department of labor plans to spend on workforce development for older Kansans;

(3) examples of programs the department plans to implement or enhance to promote workforce development for older Kansans;

(4) specific measurable criteria that will be used to determine the effectiveness of the department's plan;

(5) designated target areas for funding and the projected source of that funding;

(6) a statement regarding the programs and training that will be provided and how such programs and training will be developed; and

(7) a plan outlining how services will be marketed so that older Kansans will be aware of their availability.

(b) For the purposes of this section:

(1) "Kansas resident" means a person who lives in Kansas.

(2) "Older Kansan" has the meaning provided in K.S.A. 75-5741, and
amendments thereto.

(3) "Workforce development" means training of present, prospective or potential employees for jobs presently available or expected to be available in the future, based upon economic forecasts.

(4) "Qualified older Kansan" means an older Kansan who meets the guidelines for participating in the workforce development program.

Sec. 15. K.S.A. 2016 Supp. 75-5701b is hereby amended to read as follows: 75-5701b. (a) Except with respect to the powers, duties, and functions that are transferred by this order to the department or secretary of commerce or the division or director of workforce development within the department of commerce, The department of labor and the secretary of labor shall be the successor in every way to the powers, duties, and functions of the department and secretary of human resources in which the same were vested prior to the effective date of this order. Every act performed in the exercise of such powers, duties, and functions by or under the authority of the department of labor or the secretary of labor shall be deemed to have the same force and effect as if performed by the department of human resources or the secretary of human resources in which such powers, duties, and functions were vested prior to the effective date of this order.

(b) Whenever the department of human resources, or words of like effect, are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty other than those powers, duties, and functions that are transferred to the department of commerce under this order, such reference or designation shall be deemed to apply to the department of labor.

(c) Whenever the secretary of human resources, or words of like effect are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty other than those powers, duties, and functions that are transferred to the department of commerce under this order, such reference or designation shall be deemed to apply to the secretary of labor.

(d) All rules and regulations, orders, and directives of the secretary of the department of human resources that relate to functions other than those functions transferred by this order and that are in effect on the effective date of this order shall continue to be effective and shall be deemed to be rules and regulations, orders, and directives of the secretary of labor until revised, amended, revoked, or nullified pursuant to law.

Sec. 16. K.S.A. 2016 Supp. 72-4427, 72-4460, 74-32,151, 74-32,160, 74-5002s, 74-5002t, 74-5002u, 74-5002v, 74-5002w, 74-5002x, 74-5002y, 74-50,209, 75-5701a and 75-5701b are hereby repealed.

Sec. 17. This act shall take effect and be in force from and after July 1, 2018, and its publication in the statute book.