

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:05 a.m. on January 22, 2002 in Room 521-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Joe Humerickhouse - excused
Rep. Rick Rehorn - excused
Rep. Gwen Welshimer - excused

Committee staff present: Jerry Donaldson, Legislative Research
Bob Nugent, Revisor of Statutes
Rena Jeffries, Revisor of Statutes
Bev Adams, Secretary

Conferees appearing before the committee: Phil Harness, KDHR
Rick Beyer, Secretary, KDHR
William Sanders, KDHR
Bill Layes, KDHR

Others attending: see attached list

Chairman Lane announced that the committee has asked business and labor people in to brief the committee on what the current Kansas business/economic situation is in detail. Where are we going? What can the legislature do? Briefings will be held on January 24 and 29-31.

Introduction of Bills

Rep. Swenson requested that a committee bill be introduced that amends the employment security trust fund and benefits.

Rep. Grant made a motion to introduce the bill. It was seconded by Rep. Ruff. The motion passed.

Phil Harness, Director of the Division of Workers Compensation, Kansas Department of Human Resources (KDHR), requested that proposed legislation which has been recommended favorably to the Legislature by the Workers Compensation Advisory Council be introduced. These proposals include: 1) an amendment to K.S.A. 44-550b which would exclude social security numbers on records research requests; 2) an amendment to K.S.A. 44-508 (b) and 44-542a, which would designate members of limited liability companies the same as partners, and not covered by the Workers Compensation Act; 3) an amendment to K.S.A. 44-501b (I) which would strike the necessity of filing an annual surviving spouse report with the Division, but retaining the requirement that the statement would be required to be filed with the employer/insurance carrier, and clarifying the definition of "wholly dependent child"; and 4) an amendment to K.S.A. 44-557a allowing the Secretary of Revenue and the Director of Workers Compensation to exchange certain information to be used solely for the verification of workers compensation data files.

Rep. Grant made a motion to introduce the four proposals as committee bills. The motion was seconded by Rep. Ballou. The motion carried.

Presentation by Kansas Department of Human Resources

Rick Beyer, Secretary of the KDHR, told the committee that the softening economy is affecting unemployment claims. The department is struggling to meet the increased demand for filing claims.

William Sanders, Chief Information Officer and Director, Division of Employment Security, KDHR, explained the changes in submitting unemployment claims. Claims are now filed four ways: with a call to a Call Center, on the internet, by interactive voice response or mass layoff procedures and the process is faster and more convenient. At this time they are being inundated with claims and people are having trouble getting into the system to file their claims. When the claim has been filed, 90% of those filing will have their

CONTINUATION SHEET

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first check in two weeks. Mr. Sanders concluded his testimony by answering questions from the committee. (Attachment 1)

Bill Layes, Chief of Labor Market Information Services, KDHR, presented testimony on Kansas Unemployment Rates and the status of the Unemployment Insurance Trust Fund. He reported that the Unemployment Insurance Trust Fund is solvent, with a total of \$458.6M. At some time it may be necessary to increase revenues to maintain the solvency. Mr. Layes ended his testimony by answering questions. (Attachment 2)

Chairman Lane adjourned the meeting at 10:30 a.m.

The next scheduled meeting is January 23, 2002.