

Approved ADD 2-9-90
Date

MINUTES OF THE House COMMITTEE ON Labor & Industry

The meeting was called to order by Representative Arthur Douville at
Chairperson

9:09 a.m./p.m. on January 31, 1990n room 526-S of the Capitol.

All members were present except:

Representative Everhart - Excused Representative Schauf - Excused
Representative O'Neal - Excused
Representative Patrick - Excused

Committee staff present:

Jerry Donaldson - Legislative Research Department
Jim Wilson - Revisor of Statutes' Office
Kay Johnson - Committee Secretary

Conferees appearing before the committee:

Marjorie Byington Turner - Director of Job Preparation Programs/KanWork
Terry Leatherman - Executive Director, Kansas Industrial Council

The meeting was called to order at 9:09 a.m. by the Chairman, Representative Arthur Douville. The minutes of January 16, 1990 were distributed and unless objections are heard by Friday, February 2, 1990 they will stand approved.

HB 2596: Wage garnishment exemption for KanWork program participants. RE: Proposal No. 52.

Marjorie Byington Turner addressed the committee as a proponent of the bill, attachment #1. She stated the purpose of the bill is to exempt the earnings of KanWork program participants from wage garnishment and the intent of the bill would have a positive impact on KanWork participants. Her only concern was the definition of participant. She suggested a definition be added which would include persons referred to KanWork, participating in a KanWork component or activity, or receiving a transition service.

Chairman Douville asked how long would be the maximum amount of time a participant could be involved in this program. His concern was about the statute of limitations on judgements. She responded 2 years at most.

Representative Green asked if Supplements can be garnished. She responded that Public Assistant Grants are not garnished.

Terry Leatherman addressed the committee neither as a proponent or opponent of the bill but rather, to express the concern the program could become a haven for people seeking a place to hide from their debt responsibilities, attachment #2.

Representative Whiteman stated that in her law experience, garnishment can force bankruptcy which is more costly.

Representative Hensley asked if people would really use the program as a shield. Mr. Leatherman responded it would be the exception and not the rule.

Chairman Douville asked if, once off the program, do participants return. Ms. Turner said the program is just at a point where some people have been off a year, but in other programs 80% don't come back within at least one year.

Representative Gomez questioned the bill in relation to a participant who opens a bank account or to restrictions on Judges. Chairman clarified that the bill only speaks to wage garnishment.

Representative Buehler discussed extending the statute of limitations for participants. Chairman Douville stated a judgement is for 5 years and can be renewed every 5 years.

The meeting adjourned at 9:21 a.m. The next meeting of the committee is scheduled for Thursday, February 1, 1990 at 9:00 a.m. in room 526-S.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Testimony before the

House Labor and Industry Committee

Regarding

House Bill 2596

on

January 31, 1990

Marjorie Byington Turner
Director of Job Preparation Programs/KanWork

presented on behalf of:

Jan Allen, Commissioner
Adult Services
Department of Social and Rehabilitation Services

HOUSE LABOR & INDUSTRY
Attachment #1
01-31-90

Department of Social and Rehabilitation Services

Winston Barton, Secretary

Statement regarding: H.B. 2596

Title:

AN ACT exempting the earnings of KanWork program participants from wage garnishment.

Purpose:

To exempt the earnings of KanWork program participants from wage garnishment.

Background:

Currently, if a KanWork participant has a wage garnishment, the amount of earned income is still considered available to the recipient for determining the amount of the Public Assistance grant. Garnishment makes it very difficult for some individuals to support families on the money that is actually available to meet family expenses.

In cases where no Public Assistance grant is involved, KanWork participants may be hesitant to accept employment because of judgement already obtained on future wages.

Effect of Passage:

The enactment of H.B. 2596 should serve as an incentive for KanWork participants to obtain employment and remain employed. This may encourage some clients to become KanWork participants or obtain gainful employment who would not otherwise do so because of judgement already obtained on future wages.

It is unclear what is meant by the term KanWork "participant". The agency suggests a definition be added which would include persons referred to KanWork, participating in a KanWork component or activity, or receiving a transition service.

Recommendations:

The Agency believes that the intent of H.B. 2596 would have a positive impact on KanWork participants. The Agency supports the bill but suggests that "participant" be defined as noted above.

January 31, 1990

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Labor and Industry Committee

by

Terry Leatherman
Executive Director
Kansas Industrial Council

Mr. Chairman and members of the committee:

My name is Terry Leatherman. I am Executive Director of the Kansas Industrial Council, an arm of the Kansas Chamber of Commerce and Industry.

The Kansas Chamber has not developed a position in support of, or in opposition to HB 2596. However, we feel compelled to express a concern we have with this legislation.

When a businessman or woman sells someone a product or provides a service, they deserve to be paid. If that bill is not paid, a last resort for the businessperson is to initiate wage garnishment proceedings.

HB 2596 would exempt KanWork program participants from having their wages garnished. KCCI is concerned with any legislation which shields an individual from their responsibility to pay their debts.

Like all Kansans, KCCI certainly hopes the KanWork program is very successful. It would be unfortunate to see this important program become a haven for people seeking a place to hide from their responsibilities.

Thank you for this opportunity to express our concern over this legislation. I would be happy to attempt to answer any questions.

HOUSE LABOR & INDUSTRY
Attachment #2
01-31-90