

Approved: 3/7/95 la
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:10 a.m. on February 14, 1995 in Room 526-S of the Capitol.

All members were present except: Rep. Barbara Ballard - excused

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

Conferees appearing before the committee: Rep. David Heineman
Tom Hanna, Key Personnel Services

Others attending: See attached list

Rep. Boston made a motion to pass out HB 2305, two year moratorium on employment security fund contributions for positive balance employers, favorably. Rep. Pauls seconded the motion. Rep. Packer proposed an amendment to the bill by making a four-tenths adjustment in schedule III of the bill (see Attachment 1). Also included in the amendment is the enactment date of publication in the Kansas Register, instead of the statute book. Rep. Packer made a motion to approve the amendment, Rep. Merritt seconded the motion. The amendment was approved. Rep. Packer made a substitute motion to pass out HB 2305 favorably, Rep. Pauls seconded the motion. The bill passed out of committee favorably as amended.

Hearing on: HB 2292--Regulation of private employment agencies, excluding reports published through a computerized database.

Rep. David Heineman opened the hearing on HB 2292 by giving the committee the background on the bill. He introduced the bill at the request of one of his constituents. The reason for the bill is to clarify the law to make sure that his type of business can still operate in Kansas. His constituent is at the point that he wants to expand his business, and he wants to expand and keep operating in the State of Kansas. His business is a private employment service that uses a computerized data base that registers both employers and employees. Both are charged a fee. In an opinion handed down in 1993, it was said that his business was not under the Kansas law, but before he expands, he would feel more secure if the law was clarified. Rep. Heinemann answered questions from the committee.

Tom Hanna, Key Personnel Services, appeared as an opponent of HB 2292. His company believes that employment agencies in Kansas, or any such firms registering Kansas citizens or employer companies, not be allowed to charge fees to applicants (see Attachment 2). They believe that such fees lead to many questionable, if not unethical and immoral, business practices. They do not charge the employee a fee. Mr. Hanna concluded by answering questions from the committee.

Chairman Lane asked if there were any others who wanted to testify on HB 2292. Chairman Lane did not close the hearings on HB 2292. It was left open to allow Rep. Heineman's constituent to testify at a later date, when he is recovered from his injuries.

Chairman Lane adjourned the meeting at 9:50 a.m.

The next meeting is scheduled for February 15, 1995

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE GUEST LIST

DATE February 14, 1995

NAME	REPRESENTING
Wayne Maicher	U. AFL-CIO
Terry Leatherman	KCCI
John Hill	Hoin, Phart + Hair
Art Brown	and Am Unemployed 1854
Johnny Unruh	Overland Park Chamber of Commerce
Bill Lavo's	KS Dept Human Res
PAUL BICKNELL	" " " "
Reggie DawB	KS Dept of Human Resources
David Dellam	Division of the Budget
Craig Liskey	DHR \ Employment Standards
Martin Hawver	Hawver's Capitol Report
MARK RAN	Professional Security, Inc.
Jacki Symmerson	manpower
Tom Hanna	KEY TEMP. PERSONNEL

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Business, Commerce and Labor

Recommends that House Bill No. 2305

"AN ACT concerning employment security; imposing a temporary moratorium on contributions by positive balance employers; amending K.S.A. 44-710a and repealing the existing section."

Be amended:

On page 5, by striking all after line 33;

By striking all of pages 6 and 7;

On page 8, by striking all before line 40 and inserting:

"SCHEDULE III -- Fund Control

Ratios to Total Wages

Column A	Column B
Reserve Fund Ratio	Planned Yield
5.000% and over	0.38%
4.975 but less than 5.000%	0.31
4.950 but less than 4.975	0.32
4.925 but less than 4.950	0.33
4.900 but less than 4.925	0.34
4.875 but less than 4.900	0.35
4.850 but less than 4.875	0.36
4.825 but less than 4.850	0.37
4.800 but less than 4.825	0.38
4.775 but less than 4.800	0.39
4.750 but less than 4.775 <u>and over</u>	0.40 <u>0.00</u>
4.725 but less than 4.750.....	0.41 <u>0.01</u>
4.700 but less than 4.725.....	0.42 <u>0.02</u>
4.675 but less than 4.700.....	0.43 <u>0.03</u>
4.650 but less than 4.675.....	0.44 <u>0.04</u>
4.625 but less than 4.650.....	0.45 <u>0.05</u>

*Business, Commerce
& Labor
2/14/95
Attachment 1*

4.600 but less than 4.625.....	0-46	<u>0.06</u>
4.575 but less than 4.600.....	0-47	<u>0.07</u>
4.550 but less than 4.575.....	0-48	<u>0.08</u>
4.525 but less than 4.550.....	0-49	<u>0.09</u>
4.500 but less than 4.525.....	0-50	<u>0.10</u>
4.475 but less than 4.500.....	0-51	<u>0.11</u>
4.450 but less than 4.475.....	0-52	<u>0.12</u>
4.425 but less than 4.450.....	0-53	<u>0.13</u>
4.400 but less than 4.425.....	0-54	<u>0.14</u>
4.375 but less than 4.400.....	0-55	<u>0.15</u>
4.350 but less than 4.375.....	0-56	<u>0.16</u>
4.325 but less than 4.350.....	0-57	<u>0.17</u>
4.300 but less than 4.325.....	0-58	<u>0.18</u>
4.275 but less than 4.300.....	0-59	<u>0.19</u>
4.250 but less than 4.275.....	0-60	<u>0.20</u>
4.225 but less than 4.250.....	0-61	<u>0.21</u>
4.200 but less than 4.225.....	0-62	<u>0.22</u>
4.175 but less than 4.200.....	0-63	<u>0.23</u>
4.150 but less than 4.175.....	0-64	<u>0.24</u>
4.125 but less than 4.150.....	0-65	<u>0.25</u>
4.100 but less than 4.125.....	0-66	<u>0.26</u>
4.075 but less than 4.100.....	0-67	<u>0.27</u>
4.050 but less than 4.075.....	0-68	<u>0.28</u>
4.025 but less than 4.050.....	0-69	<u>0.29</u>
4.000 but less than 4.025.....	0-70	<u>0.30</u>
3.950 but less than 4.000.....	0-71	<u>0.31</u>
3.900 but less than 3.950.....	0-72	<u>0.32</u>
3.850 but less than 3.900.....	0-73	<u>0.33</u>
3.800 but less than 3.850.....	0-74	<u>0.34</u>
3.750 but less than 3.800.....	0-75	<u>0.35</u>
3.700 but less than 3.750.....	0-76	<u>0.36</u>
3.650 but less than 3.700.....	0-77	<u>0.37</u>
3.600 but less than 3.650.....	0-78	<u>0.38</u>
3.550 but less than 3.600.....	0-79	<u>0.39</u>
3.500 but less than 3.550.....	0-80	<u>0.40</u>

3.450 but less than 3.500.....	0.81	<u>0.41</u>
3.400 but less than 3.450.....	0.82	<u>0.42</u>
3.350 but less than 3.400.....	0.83	<u>0.43</u>
3.300 but less than 3.350.....	0.84	<u>0.44</u>
3.250 but less than 3.300.....	0.85	<u>0.45</u>
3.200 but less than 3.250.....	0.86	<u>0.46</u>
3.150 but less than 3.200.....	0.87	<u>0.47</u>
3.100 but less than 3.150.....	0.88	<u>0.48</u>
3.050 but less than 3.100.....	0.89	<u>0.49</u>
3.000 but less than 3.050.....	0.90	<u>0.50</u>
2.950 but less than 3.000.....	0.91	<u>0.51</u>
2.900 but less than 2.950.....	0.92	<u>0.52</u>
2.850 but less than 2.900.....	0.93	<u>0.53</u>
2.800 but less than 2.850.....	0.94	<u>0.54</u>
2.750 but less than 2.800.....	0.95	<u>0.55</u>
2.700 but less than 2.750.....	0.96	<u>0.56</u>
2.650 but less than 2.700.....	0.97	<u>0.57</u>
2.600 but less than 2.650.....	0.98	<u>0.58</u>
2.550 but less than 2.600.....	0.99	<u>0.59</u>
2.500 but less than 2.550.....	1.00	<u>0.60</u>
2.450 but less than 2.500.....	1.01	<u>0.61</u>
2.400 but less than 2.450.....	1.02	<u>0.62</u>
2.350 but less than 2.400.....	1.03	<u>0.63</u>
2.300 but less than 2.350.....	1.04	<u>0.64</u>
2.250 but less than 2.300.....	1.05	<u>0.65</u>
2.200 but less than 2.250.....	1.06	<u>0.66</u>
2.150 but less than 2.200.....	1.07	<u>0.67</u>
2.100 but less than 2.150.....	1.08	<u>0.68</u>
2.050 but less than 2.100.....	1.09	<u>0.69</u>
2.000 but less than 2.050.....	1.10	<u>0.70</u>
1.975 but less than 2.000.....	1.11	<u>0.71</u>
1.950 but less than 1.975.....	1.12	<u>0.72</u>
1.925 but less than 1.950.....	1.13	<u>0.73</u>
1.900 but less than 1.925.....	1.14	<u>0.74</u>
1.875 but less than 1.900.....	1.15	<u>0.75</u>

1.850 but less than 1.875.....	1-16	<u>0.76</u>
1.825 but less than 1.850.....	1-17	<u>0.77</u>
1.800 but less than 1.825.....	1-18	<u>0.78</u>
1.775 but less than 1.800.....	1-19	<u>0.79</u>
1.750 but less than 1.775.....	1-20	<u>0.80</u>
1.725 but less than 1.750.....	1-21	<u>0.81</u>
1.700 but less than 1.725.....	1-22	<u>0.82</u>
1.675 but less than 1.700.....	1-23	<u>0.83</u>
1.650 but less than 1.675.....	1-24	<u>0.84</u>
1.625 but less than 1.650.....	1-25	<u>0.85</u>
1.600 but less than 1.625.....	1-26	<u>0.86</u>
1.575 but less than 1.600.....	1-27	<u>0.87</u>
1.550 but less than 1.575.....	1-28	<u>0.88</u>
1.525 but less than 1.550.....	1-29	<u>0.89</u>
1.500 but less than 1.525.....	1-30	<u>0.90</u>
1.475 but less than 1.500.....	1-31	<u>0.91</u>
1.450 but less than 1.475.....	1-32	<u>0.92</u>
1.425 but less than 1.450.....	1-33	<u>0.93</u>
1.400 but less than 1.425.....	1-34	<u>0.94</u>
1.375 but less than 1.400.....	1-35	<u>0.95</u>
1.350 but less than 1.375.....	1-36	<u>0.96</u>
1.325 but less than 1.350.....	1-37	<u>0.97</u>
1.300 but less than 1.325.....	1-38	<u>0.98</u>
1.275 but less than 1.300.....	1-39	<u>0.99</u>
1.250 but less than 1.275.....	1-40	<u>1.00</u>
1.225 but less than 1.250.....	1-41	<u>1.01</u>
1.200 but less than 1.225.....	1-42	<u>1.02</u>
1.175 but less than 1.200.....	1-43	<u>1.03</u>
1.150 but less than 1.175.....	1-44	<u>1.04</u>
1.125 but less than 1.150.....	1-45	<u>1.05</u>
1.100 but less than 1.125.....	1-46	<u>1.06</u>
1.075 but less than 1.100.....	1-47	<u>1.07</u>
1.050 but less than 1.075.....	1-48	<u>1.08</u>
1.025 but less than 1.050.....	1-49	<u>1.09</u>
1.000 but less than 1.025.....	1-50	<u>1.10</u>

0.900 but less than 1.000..... ~~1-51~~ 1.11

0.800 but less than 0.900..... ~~1-52~~ 1.12

0.700 but less than 0.800..... ~~1-53~~ 1.13

0.600 but less than 0.700..... ~~1-54~~ 1.14

0.500 but less than 0.600..... ~~1-55~~ 1.15

0.400 but less than 0.500..... ~~1-56~~ 1.16

0.300 but less than 0.400..... ~~1-57~~ 1.17

0.200 but less than 0.300..... ~~1-58~~ 1.18

0.100 but less than 0.200..... ~~1-59~~ 1.19

Less than 0.100%..... ~~1-60~~ 1.20"

On page 12, in line 2, by striking "statute book" and inserting "Kansas register";

And the bill be passed as amended.

_____Chairperson

BUSINESS, COMMERCE AND LABOR COMMITTEE HEARING
HOUSE BILL No. 2292
February 14, 1995

I represent Key Personnel Services, a local personnel service that found employment for over 10,000 Kansans in the past 5 years, and Kansas Association of Personnel Consultants, an association of approximately 35 permanent and temporary placement services across Kansas. We strongly oppose HB No. 2292 concerning regulation of private employment services. It is our firm belief that employment agencies in Kansas, or any such firms registering Kansas citizens or employer companies, not be allowed to charge fees to applicants. We believe that such fees lead to many questionable, if not unethical and immoral, business practices.

If K.S.A. 44-401 is amended to allow services that use "any report published through use of a computerized database" to charge a fee to applicants, then virtually any employment service that has a computer, can began charging fees to applicants for **FILLING OUT AN APPLICATION!** The proposed amendment does not provide for:

- *any limitation on the amount of the fee that may be charged.
- *guarantee or refund of the fee if the applicant is not satisfied.
- *placement of the employee on a job thereby earning a fee.
- *submission of the employee application and/or even their name to any potential employers.
- *providing the applicant with a list of potential employers.

In short, the employment agency does not have to do anything more than "PRINT A LIST" of applicants to qualify to charge applicant fees. This is exactly the type of unethical business practice that our fore-fathers were prohibiting when they wrote K.S.A. 44-401 to protect employees.

The typical unemployed person is usually depressed and desperate, therefore making him an easy target for agencies that promise to help them find a job for a "small fee." In truth, the agency does not have to work to help its registrants obtain a job because they have earned their fee by simply allowing the applicant to register with them. These agencies normally charge a monthly fee to applicants to stay registered with them.

*Business, Commerce
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Attachment 2*

Therefore it is actually beneficial to the agency if the applicant DOES NOT find employment.

In closing, I would like to share that Key Temporary employed 2,338 Kansans in 1994. NONE of these applicants paid a fee to obtain work. If we had charged a minimal \$25.00 fee to each of these applicants THAT WE ACTUALLY FOUND WORK FOR, this amendment would have generated an additional \$58,450. for Key Personnel.

If we had charged every APPLICANT in 1994 a fee of \$25.00, we would have increased our profits by over \$150,000. This additional revenue is income on which I do not have any liability for Workman's Compensation, Unemployment, FICA, or Sales Tax.

Respectfully submitted,

Tom Hanna
Key Temporary Personnel
(913) 267-9999