

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

The meeting was called to order by Chairman Al Lane at 9:05 a.m. on January 30, 1996 in Room 526-S of the Capitol.

All members were present except: Rep. Jill Grant - excused
Rep. Gary Merritt - excused
Rep. Dale Swenson - excused

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

Conferees appearing before the committee: Janet Stubbs, Kansas Building Industry Assn.
Rep. Tim Carmody
L. J. Leatherman, Kansas Trial Lawyers Assn.

Others attending: See attached list

Minutes of January 23, 24, and 25 were passed out to the committee. They will be approved at the next meeting. Also handed out was a memorandum from Philip S. Harness, Director of Workers Compensation, with a correction to his testimony of January 17, 1996. (See Attachment 1)

Janet Stubbs appeared before the committee to request the introduction of two bills. The first bill request would permit group-funded workers compensation pools to invest in repurchase agreements. Rep. Geringer made a motion to introduce the bill as a committee bill. It was seconded by Rep. Presta. The motion carried.

The second bill request concerns the Second Injury Fund. It would exempt group-funded workers compensation pools commenced after January 1, 1993 from workers compensation fund surcharge. Rep. Beggs made a motion to introduce the bill as a committee bill. The motion was seconded by Rep. Packer. The motion carried.

Action on SB 100: Rep Pauls made a motion to pass out the bill favorably and to place it on the Consent Calendar. It was seconded by Rep. Packer. The motion carried.

Hearing on:

HB 2366 - Employer may not require exhaustion of accumulated leave before paying workers compensation benefits

Rep. Tim Carmody, sponsor of the bill, appeared before the committee to explain the bill. The bill says that employers cannot require use of vacation or sick leave as a condition to get workers comp benefits. This is an issue that has not yet been addressed in Kansas because it has not come up in litigation, but it has come up in other states. It is a chance to set a policy for the state that would avoid this litigation in the future. There were no questions.

L. J. Leatherman, Kansas Trial Lawyers Association, appeared before the committee as a proponent of HB 2366. They endorse the provisions of the bill as it provides protection to injured Kansas workers and promotes equity and stability throughout the Workers' Compensation system. It also prevents an injured worker from being further economically penalized due to their work related injury. (See Attachment 2) He concluded by answering questions from the committee.

Chairman Lane asked for other proponents or opponents who wanted to testify on HB 2366. Seeing none he closed the hearing on the bill.

The committee adjourned at 9:25 a.m.

The next meeting is scheduled for January 31, 1996.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE
GUEST LIST

DATE January 30, 1996

NAME	REPRESENTING
Whitney Dameron	Kansas Bar Assn.
Glenn M. Seabell	KTLA
John G. ...	KTLA
Steve ...	KTLA
Lee Wright	FARMERS INS. GROUP
Denise ...	State Farm
JASON PITTSBORGER	KGC
Bob Clawson	SRS
Harry Bossi	DOFA (SSIA)
Linda Hubbard	Ka Dept of Human Resources
Art Brown	Mid - Am Lumberman
KEVIN ROBERTSON	KANSAS SELF-INSURERS ASSN.
Self ...	KAPF
Wayne Maister	Ch. AFL-CIO
Alan Holmes	Division of Budget

MEMORANDUM

TO: REPRESENTATIVE AL LANE, CHAIR, HOUSE BUSINESS, COMMERCE
& LABOR COMMITTEE

FROM: PHILIP S. HARNESS, DIRECTOR OF WORKERS COMPENSATION *PH*

DATE: JANUARY 29, 1996

RE: PREVIOUS TESTIMONY ON AGREEMENT BY WORKERS COMPENSATION
ADVISORY COUNCIL

At a recent meeting of the Workers Compensation Advisory Council, it was noted that our minutes were in error as to the workers compensation coverage for officers and directors of not-for-profit corporations. Previously, I had reported to you that the Advisory Council had agreed that officers and directors of not-for-profit corporations would be covered under the Workers Compensation Act, unless they opted out. I regret this error, and the minutes have been amended to reflect that the position of the Workers Compensation Advisory Council is that officers and directors of not-for-profit corporations would not be covered under the Workers Compensation Act, unless they opted in.

I regret any inconvenience caused by this error. I have notified Bob Nugent of the Office of the Revisor of Statutes of this error.

*House Business, Commerce
& Labor Committee
1/30/96
Attachment 1*

KANSAS TRIAL LAWYERS ASSOCIATION

Lawyers Representing Consumers

**Kansas Trial Lawyers Association
Legislative Testimony
House Bill #2366
Presented by: L.J. Leatherman
January 30, 1996**

Chairman Lane and members of the Committee. The Kansas Trial Lawyers Association represents the interests of thousands of middle-class Kansans, consumers of a variety of legal services including representation in Workers' Compensation cases. Traditionally, KTLA has encouraged legislation to further the interests of these consumers who in turn represent a significant portion of the electorate.

We hereby endorse the provisions of House Bill #2366 in that it provides protection to injured Kansas workers and promotes equity and stability throughout the Workers' Compensation system.

The Workers' Compensation Act is intended to be the primary source of benefits to injured Kansas workers. It is inequitable to ever require a worker to use his or her accumulated sick leave, vacation leave or annual leave in the event the worker is removed from the job due to an injury. The injured worker is already suffering significant economic loss by being off work. Forcing them to use accumulated benefits only compounds this loss.

If injured workers through the state were required to use accumulated sick leave, vacation or annual leave as a condition precedent to the payment of Workers' Compensation benefits, the inequities could be tremendous. That is because these benefit packages vary significantly from employer to employer. Accordingly, workers with similar injuries but different employers could receive vastly different benefits under the Workers' Compensation Act dependent upon the

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Attachment 2*

Terry Humphrey, Executive Director

availability, or lack of, company benefit packages. This is not the intent of the Workers' Compensation Act.

KTLA supports House Bill #2366 in that it attempts to ensure the prompt and accurate payment of Workers' Compensation benefits without the additional difficulty of determining variable rates and levels of sick leave, vacation leave, or annual leave due to the injured worker. Further, this bill prevents an injured worker from being further economically penalized due to their work related injury.

Thank you.