

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Vice Chairman Todd Novascone at 9:00 A.M. on January 27, 2005 in Room 241-N of the Capitol.

All members were present except:

Broderick Henderson- excused  
Patricia Kilpatrick- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Renaë Jefferies, Office of Revisor of Statutes  
June Evans, Committee Secretary

Conferees appearing before the committee:

A. J. Kotich, Chief Counsel, Kansas Department of Labor

Others attending:

Vice Chairman Todd Novascone welcomed A. J. Kotich, Chief Counsel, Kansas Department of Labor, to the committee.

Mr. Kotich gave an overview of some of the legal operations of the Kansas Department of Labor. A sampling of the major programs include Employment Security, Workers Compensation Fraud and Abuse, Labor Managing Relations and Employment Standards, Public Employer/Employee Relations Board (PERB), Professional Negotiations Act, (PERA); and the Wage Payment Act.

Mr. Kotich reviewed the Employment Security Law of Kansas. Once an individual has become unemployed, he or she may file a claim for unemployment insurance benefits. The individual may be eligible to receive benefits each week, except for the first week (deemed a waiting ), if he or she is physically able to do some work for which he or she is reasonably fitted by training or experience, is available for work without undue restrictions, pursues a course of action calculated to result in re-employment by applying for work in a reasonable manner each week, and is totally or partially unemployed and earning less than his or her weekly benefit amount during each week that he or she claims benefits.

Workers Compensation Fraud and Abuse Section was established in 1993 when the legislature passed a major overhaul of the Kansas Workers Compensation Act (K.S.A. 44-501 et seq.) The primary functions of the section are to combat fraudulent activities by claimants and to prevent abusive practices by respondents, i.e., medical providers, insurers, and employers. The section's objectives are to continue with high standards of investigation and ensure continual prosecution of criminal activity. A report of an alleged violation of the Workers Compensation Act is called a "referral." There are 21 acts of fraud or abuse that subject a violator to civil penalties. These apply to employers, attorneys, claimants, self-insured pools, insurance companies, and medical care providers.

The Division of Labor-Management Relations and Employment Standards of the Kansas Department of Labor administers the state's labor relations statutes, the Kansas Wage Payment Act, state wage and hour statutes, child labor laws and laws governing private employment agencies. The Division has two primary components, the Office of Labor Relations and the Office of Employment Standards (Attachment 1).

Mr. Kotich compiled a booklet entitled, "Supervision - Ladder to Success - Slide to Failure" and gave a brief synopsis of the booklet. Mr. Kotich said the booklet could be requested through Secretary Garner if the committee members would like to have copies.

The meeting adjourned at 10:10 a.m. and the next meeting will be January 28, 2005.

**Testimony before the  
House Commerce and Labor Committee  
A. J. Kotich, Chief Counsel  
Kansas Department of Labor  
January 27, 2005**

Chairperson Dahl, Vice-Chairperson Novascone, and Members of the Committee:

Thank you for the opportunity to appear before this Honorable Committee, and give a brief overview of some of the Legal operations of the Kansas Department of Labor. My name is A. J. Kotich, and I am the Chief Counsel for the Kansas Department of Labor. I have prepared for your reference and information, a collection of several handouts regarding some of the programs administered by the Kansas Department of Labor. These are by no means all of the programs and responsibilities of the Department, but rather a sampling of the major programs, including:

Employment Security;

Workers Compensation Fraud & Abuse;

Labor Management Relations and Employment Standards;

Public Employer/Employee Relations Board, (PERB);

Professional Negotiations Act, (PERA); and the

The Wage Payment Act.

I will also be glad to answer any questions that you may have.

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