

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on January 31, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Jason Long, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Secretary Jim Garner, Department of Labor

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

Chairperson Brownlee recognized Ms. Kim Winn representing the Kansas League of Municipalities to request a bill introduction. Ms. Winn presented written copy of her bill request. (Attachment 1) Ms. Winn stated she was requesting a bill to distribute E911 fees that are left over to counties still trying to get up and running on the E911 system.

Questions followed in regard to the location of the counties and what needed to be done to bring E911 to all areas of Kansas and also how the money would be used. It was noted that the money would be used for training and that the counties are scattered throughout the state.

Senator Tiechman made a motion to move the bill request. Senator Barone seconded. Motion carried.

Chairperson Brownlee stated the Committee needed to request that the IMPACT bill be introduced. She stated that this would be a change allowing more to be designated as a cash allotment and would be under the purview of the Department of Commerce with the intent of making it more flexible for economic development. Chairperson Brownlee called on Jason Long, Revisor's Office, for more explanation. Mr. Long stated the bill would allow Department of Commerce to have the option to make distributions of cash for the IMPACT program rather than relying on bond issues.

Senator Brownlee made to motion to request the bill. Senator Teichman seconded. Motion carried.

Chairperson Brownlee introduced Secretary Jim Garner with the Department of Labor to give an update on the activities within the Kansas Department of Labor during the last several months. Secretary Garner presented written testimony. (Attachment 2) Secretary Garner made reference to UI Modernization of the Department of Labor and referred to a letter to the governor. (Attachment 3) Secretary Garner gave an update on the Unemployment Insurance Modernization Project. He reported that the project was progressing on schedule and under budget.

Secretary Garner stated the Department of Labor has many responsibilities. It administers the unemployment insurance program-processing claims for benefits and collecting unemployment taxes to fund the system. They also operate the state's workers compensation system and offer workplace safety consultations for private employers and oversees job safety involving public employees. They also enforce the employment laws for Kansas- including Child Labor laws and the Wage Payment Act. The department Labor Market Information Services is the research unit which compiles data on the workforce in Kansas. The department also oversees the Public Employers and Employees Relations Act and the Public Negotiations Act.

He stated the three call centers have be consolidated into one center with Voice Over IP technology on a large scale. VOIP permits them to forward calls from claimants in Wichita and Kansas City over data lines to maintain a local exchange call for these customers. Secretary Garner highlighted on the automatic registration

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of claimants with labor exchange; the use of debit cards; and the cross match of claimants.

Secretary Garner stated that the UI Trust Fund remains in very healthy condition and the reduced tax rates for positive balance employers will continue for another year. He called the Committee's attention to a handout of charts showing unemployment statistics (Attachment 4) and reviewing them for the Committee.

Questions followed from the Committee concerning cross checks. It was noted they had not been implemented as of yet but within the next year they would be. Senator Kelly asked if the Department of Labor was doing anything to check the legal status of employees. Secretary Garner stated he would get information to the Committee members regarding what information they do get now. He stated they had just recently entered into a memorandum of understanding with Homeland Security and would get additional information to the Committee on that, also. The UI Modernization program was a topic of several questions and discussion. The questions returned to immigration and the verification process and if any undocumented workers were receiving benefits. It was noted that they had found some discrepancies and those were referred to Homeland Security.

Upon the conclusion of questions and answers, Secretary Garner moved on to the Workers Compensation annual report which is on file at the Department of Labor and in the Legislative Research Department. Secretary Garner referred the Committee to *KSafe Recipient Summary for calendar year 2007*, (Attachment 5), *Kansas Department of Labor Sharp Sites*, (Attachment 6), chart; *States with Sharp Sites by Total Number*, (Attachment 7), and the *Kansas Department of Labor Employment Standards*, (Attachment 8) and gave a brief review of all. Next, Secretary Garner referred the Committee to the Kansas Department of Labor written update on the electronic data interchange system for filing accident reports, the digital imaging and proof of coverage information systems activity over the last year, as well as a brief summary of the most important statistics just published in the FY 2007 Annual Statistical Report. (Attachment 9). Secretary Garner then referred the Committee to a Memorandum from David Sprick and Robert Soria to Paula Greathouse; a summary of the 33rd Annual Statistical Report FY 2007. (Attachment 10) Secretary Garner reviewed the memorandum for the Committee. He stated the number of reported workers comp illnesses and injuries have increased from the past year. He also stated the Ombudsman had taken calls from 25,336 parties and continued his review stating NCCI does an annual report on the Work Comp in all the states in the United States and they shared information that the Kansas' work comp market remains very stable and very profitable for the underwriters and that it is a good place for the underwriters to do business in. Secretary Garner stated the Department of Labor is also trying to modernize work comp and are making progress in creating a quicker efficient operation in their records keeping area. Also, this year they changed the state policy on work comp record keeping rules and now they only have to keep the records for 25 years instead of forever. He stated that out of the 10 Administrative Law Judges(ALJ) six chose to opt into the new system and four remained in civil service. This is the first year that any ALJ positions will expire and they are already working on those appointments. In closing, Secretary Garner stated the boiler inspections were being done on a hand held unit instead of paper and pencil and this has greatly streamlined this process allowing for inspections being done much sooner and in less time. He stated the Department of Labor was part of the partners of the unified government front to respond to disasters in the state in 2007. They had staff physically located in Haviland for four weeks after the tornado in Greensburg processing disaster unemployment claims and they had staff physically located in Coffeyville for four weeks after floods in southeast Kansas.

Chairperson Brownlee opened the floor for questions for Secretary Garner. It was noted that the Department of Labor worked well with Kansas, Inc. providing information for the IKE Report. Chairperson Brownlee stated she attended the Work Comp Advisory Committee meeting and that Director Paula Greathouse has done a very good job getting those meetings on track.

Chairperson Brownlee stated that the Senate Commerce Committee would be meeting as a joint committee tomorrow with the Senate Assessment and Taxation Committee at 8:30 in room 123 S. With that said, Chairperson Brownlee adjourned the meeting at 9:30 a.m.

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