



## **Testimony In Support of SB 187**

**Mr. Daniel Murray, Kansas State Director: National Federation of Independent Business**

**Senate Commerce Committee**

**Thursday, February 21, 2013**

Chairwoman Lynn and members of the Committee: I am pleased to be here in strong support of SB187 on behalf of the National Federation of Independent Business. The NFIB is the state's leading small business advocacy organization representing roughly 4,000 small business owners across Kansas.

Our members support SB187 because the bill strives to strengthen the workers compensation and employment security appeals process by improving the salary of administrative law judges (ALJs), broadening the group which nominates ALJ candidates, and strengthening the ALJ retention process.

First, the bill will bump the ALJ salaries to an amount equal to 85% (up from 75%) of the annual salary paid by the state to a district judges. We believe this will serve to attract more and better qualified candidates. Further, the bill expands the legal experience requirements for the workers compensation appeals board members by stipulating that members must have at least 5 years experience practicing law in the area of workers compensation. Again, we believe this will increase the overall proficiency within the system.

Next, SB187 proposes to establish the workers compensation and employment security boards nominating committee. The bill enhances the current workers compensation ALJ nominating and review committee by including the employment security board of review and by broadening the committee composition. The nominating committee would be composed of 7 members, appointed by the governor, who were put forth by various stakeholder organizations. This diverse committee would be responsible for providing the workers compensation and employment security board of review appointing authorities with nominees for appointments to the position of workers compensation administrative law judge (ALJ) or board member and employment security board of review.

As you may recall, there has been significant discussion and debate in the past few years regarding the current process by which worker's compensation ALJ's are appointed. In our members' opinion, the current paradigm, which calls on two organizations to submit recommendations for ALJ's, is simply not effective in appointing the best candidates. We believe that the nominating committee contemplated in SB187 will bring a broader perspective from serious stakeholders who are currently shut-out from the process. Indeed, the world is much larger than just the two organizations which currently provide nominees. Undoubtedly, a more comprehensive perspective will improve the slate of ALJ's who are tasked with adjudicating very important matters.

Finally, the bill modernizes the ALJ and appeals board member retention process. Those wishing to be retained would be submitted for retention unless 2/3 of the nominating committee or appeals board vote against retention. This should ensure that qualified and reasonable judges and board members are retained.

We appreciate the opportunity to provide comments and are pleased that the legislature continues to pursue measures which will help to improve the system. Again, NFIB supports SB187 and urge you to support its passage.