MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on January 23, 2007 in Room 123-S of the Capitol.

All members were present:

Committee staff present:
> Amy Deckard, Kansas Legislative Research Department
> Kathie Sparks, Kansas Legislative Research Department
> Mike Heim, Revisor of Statutes
> Jackie Lunn, Committee Assistant

Conferees appearing before the committee:
> Secretary Garner, Department of Labor
> Will Lieker, AFLCIO
> Dr. Krider, University of Kansas
> Jeff Glendening, KCCI
> Ken Daniel, Kansas Small Business.com
> Duane Simpson, Kansas Grain & Feed Association

Others attending:
> See attached list.

SB 78-Employment security law, definitions; eliminating the waiting week relating to unemployment compensation and shared work compensation

SB 83-Employment security law; contribution rates

Chairperson Brownlee announced to the Committee that Senator Wysong was going to be replaced by Senator Teichman beginning today and welcomed Senator Teichman to the Committee.

Chairperson Brownlee then introduced Scott McGinley representing western Kansas Rural Economic Development Alliance (wKREDA) to give a presentation and update. Mr. McGinley presented written copy. (Attachment 1) Mr. McGinley stated that wKREDA is an idea that materialized in 1994 because economic developers realized they could not succeed alone. wKREDA objectives are to promote the exchange of ideas and information among members to enhance effectiveness, and to provide activities.

Upon the completion of Mr. McGinley's review and update, questions and answers followed.

Chairperson Brownlee recognized John Federico representing the National Association of Professional Employer Organizations to make a bill introduction. Mr. Federico stated he would like to introduce a bill that would define and set up regulatory framework for businesses in the state of Kansas doing business as Professional Employer Organizations (PEO).

Senator Schodorf made a motion to introduce the bill. Senator Jordan seconded. Motion carried.

Chairperson Brownlee introduced Kathie Sparks, Legislative Research to explain **SB 78-Employment security law, definitions; eliminating the waiting week relating to unemployment compensation and shared work compensation**. Question and answers followed the explanation.

Upon the conclusion of questions and answers, Chairperson Brownlee opened the hearing on **SB 78** by introducing Secretary Garner with the Department of Labor to give his testimony as a proponent for **SB 78**. Secretary Garner presented written testimony. (Attachment 2) Secretary Garner stated the elimination of the waiting week will help unemployed Kansans by getting benefits started sooner and would be a smart and modern improvement to the states Employment Security Laws.

Question and answers followed.

Chairperson Brownlee introduced Wil Leiker, Executive Vice President of the Kansas AFLCIO to give his

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testimony as a proponent on **SB 78.** Mr. Leiker presented written testimony. (Attachment 3) Mr. Leiker stated the bill would aid the economically depressed Kansan who is temporarily unemployed and urged the Committee to vote in favor of the bill.

Questions and answers followed.

Chairperson Brownlee introduced Marlee Carpenter, KCCI to present written testimony on behalf of Glendening, KCCI, as an opponent for **SB 78**. (Attachment 4) Ms. Carpenter stated that KCCI feels that the check to the terminated employee in the 27th week will be of more value than receiving a check when in most circumstances; the individual also receives their last paycheck. In closing, she urged the Committee not to support the bill.

Questions and answers followed. Senator Brownlee requested that the research staff prepare a timeline memo to verify the information submitted by Mr. Leiker, AFLCIO.

With no further questions or testimony Chairperson Brownlee called the Committee's attention to the written only testimony of Corey Peterson, Association of General Contractors of Kansas, in opposition of **SB 78** and then she closed the hearing on **SB 78**. (Attachment 5)

Chairperson Brownlee introduced Kathie Sparks, Legislative Services to explain **SB 83-Employment security law; contribution rates**. Upon the conclusion of her explanation, Chairperson Brownlee opened the hearing on **SB 83** and introduced Secretary Garner to give his testimony as a proponent of **SB 83.** Secretary Garner presented written testimony. (Attachment 6) Secretary Garner stated the bill incorporates changes to the Employment Security Laws recommended by the Employment Security Advisory Council and he believes the bill represents responsible public policy.

Chairperson Brownlee stated there would be questions and answers after all the testimony had been given on **SB 83** and introduced Dr. Krieder, School of Business, University of Kansas, to give his testimony as an proponent of **SB 83**. Dr. Krider presented written testimony. (Attachment 7) Dr. Krider stated these reductions can be made without endangering the integrity of the employment security trust fund. He urged the Committee to support **SB 83.**

Chairperson Brownlee introduced Duane Simpson, Kansas Grain & Feed Association to give his testimony as a proponent of **SB 83.** Mr. Simpson presented written testimony (Attachment 8) Mr. Simpson stated the high balance in the unemployment fund is proof that some employers are paying too much unemployment insurance premiums and the Kansas Grain & Feed Association supported legislation that will correct that imbalance.

Brief questions and answers with Dr. Krider followed.

Chairperson Brownlee announced that due to the time, the hearing on **SB 83** would have to be continued to another day and adjourned the meeting at 9:32 a.m. with the next scheduled meeting January 24th, at 8:30 a.m. in room 123S.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to

the individuals appearing before the committee for editing or corrections.   Page 2