

February 1, 2012

The Honorable Anthony Brown, Chairperson
House Committee on Commerce and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Brown:

SUBJECT: Fiscal Note for HB 2531 by House Committee on Commerce and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2531 is respectfully submitted to your committee.

HB 2531 creates a seven-member Workers Compensation and Employment Security Boards Nominating Committee to replace the current Administrative Law Judge Nominating and Review Committee and the Workers Compensation Board Nominating Committee. Although all seven members of the new Committee would be appointed by the Governor, the bill specifies the groups and officials who are to serve or which are to appoint a representative to the Committee:

1. Secretary of Labor
2. Kansas Chamber of Commerce
3. National Federation of Independent Business
4. Kansas AFL-CIO
5. Society for Human Resource Management
6. Kansas Self-Insurers Association; and
7. Person selected from either an employee organization or a professional employees' organization by the Secretary of Labor

In the event the Governor should refuse to appoint a member, that organization may replace the selection with another, subject to the same appointment requirements. Members would serve four-year terms, and may serve up to two terms. The bill specifies the replacement process when a vacancy occurs. The Committee would meet as needed to provide the Workers Compensation and Employment Security Board of Review appointing Authorities with nominees for appointments to the position of workers compensation administrative law judge or board members and employment security board of review. No action of the Committee takes effect unless approved by two-thirds of the Committee.

The Honorable Anthony Brown, Chairperson

February 1, 2012

Page 2—2531

The bill also amends current law regarding the qualifications of Assistant Directors of Workers Compensation within the Department of Labor to increase the amount of required experience practicing law in workers compensation from one year to five. Administrative law judges who wish to be considered for renomination by the committee must submit an application.

Members on the Workers Compensation Board must be attorneys with seven years' experience practicing law, and under HB 2531, would also have to have five years of experience practicing law in the area of workers compensation. Panels of three members could sit together to hear cases. Under current law, only two members are needed. Decisions, reviews and determinations by the Board must be approved in writing by a majority of the Board members hearing the case.

The three-member Board of Review in current law would continue to hear unemployment benefit cases. All three members would be appointed by the Governor, subject to Senate confirmation, from a list of nominations submitted by the Workers Compensation and Employment Security Boards Nominations Committee.

Enactment of HB 2531 would have no fiscal effect on the Department of Labor.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kathie Sparks, Labor