

SESSION OF 2006

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2696**

As Amended by Senate Committee on Commerce

**Brief\***

HB 2696 would amend the Workers Compensation Act regarding administrative law judges by clarifying that an administrative law judge (ALJ) must be a lawyer with at least 5 years of experience as an attorney and one year of experience practicing law in the area of workers compensation. Other provisions for selecting an ALJ would include the following:

- A Workers Compensation Administrative Law Judge Nominating and Review Committee would be established and composed of two members. One member would be chosen by the Kansas AFL-CIO and one member would be selected by the Kansas Chamber of Commerce and Industry.
- In the event of a vacancy on the Nominating and Review Committee, the vacating member would be replaced by the organization that originally selected the member with written notice provided to the Secretary of Labor within 30 days of such vacancy.
- When an ALJ vacancy occurs, the ALJ Committee would consider all qualified applicants submitted by the Director of Workers Compensation and then would nominate unanimously a person for review by the Secretary. The Secretary would either accept or reject the nominee. Upon rejection, the process would be repeated in the same manner.
- ALJs appointed on or after July 1, 2006, would serve a term of office for four years. ALJs hired before July 1, 2006 would be able to continue as an ALJ under the classified service of the Kansas Civil Service Act at the salary provided under the Act.
- An ALJ could elect to be appointed to a specified term and receive the salary of 75 percent of the salary of a district judge.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The first term of office for such person would be for two, three or four years as specified by the Secretary so that such ALJs would serve staggered terms. Thereafter such ALJs, if reappointed, would be reappointed for a term of four years. An ALJ chosen under this method would be in the unclassified service of the Kansas Civil Service Act.

## **Background**

The bill was supported by Larry Magill of the Kansas Association of Insurance Agents and Jeff Glendening of the Kansas Chamber. Partial support was expressed by Wil Leiker of the Kansas AFL-CIO. Jim Garner, Secretary of the Department of Labor, provided information to the Committee.

The House Committee amendments include the following:

- Provided the procedure that would, in the case of a rejection of an ALJ, allow for the nomination of another person.
- Provided that for the ALJ to come under the unclassified service, the first term would be on a staggered basis.
- Other clarifying and technical amendments.

The Senate Committee amended the bill by reducing the percent of a district court judge's salary from 80 percent to 75 percent for an ALJ.

The fiscal note on the original bill stated that the Department of Labor indicated that if all its ten administrative law judges accepted the unclassified appointment it would cost an additional \$266,396 from the Workers Compensation Fee Fund. The average annual wage for an administrative law judge in the Department of Labor is \$61,096 and the average annual wage for a district court judge is \$105,000. According to HB 2696, an administrative law judge's salary would increase to 80.0 percent (\$84,000) of a district court judge's salary. The Department calculated total salary and wage increases of \$266,396, including fringe benefits, for its ten administrative law judges. This additional cost is not included in *The FY 2007 Governor's Budget Report*.