



**Testimony for the KS Senate Commerce Committee
SB 187 – Workers compensation and employment security
boards nominating committee.**



February 21, 2013 - Topeka, Kansas

**Submitted on behalf of The Kansas State Council of the
Society for Human Resource Management (KS SHRM)**

By Phillip M. Hayes, SPHR – 2013 Director, KS SHRM
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Dear Members of the Committee:

My name is Phillip M. Hayes and I am submitting written testimony today on behalf of the Kansas State Council of the Society for Human Resource Management (KS SHRM) in support of Senate Bill 187. I am Vice President of HR Services and Operations for The Arnold Group, A Human Resource Company in Wichita, Kansas. As an HR professional with 15 years of experience, my focus is on people and employee development with extensive experience in recruiting, employee development and effective succession planning. I have been a local, state and national SHRM member for 15 years and currently serve as KS SHRM Director.

For those unfamiliar with KS SHRM, it is a professional organization comprised of 2,300+ HR professionals in Kansas. KS SHRM serves the needs of HR professionals and advances the interests of the HR profession throughout the state. As HR professionals, our members are responsible for developing and implementing workplace policies and practices that comply with federal, state, and local laws and provide guidance to line managers on fair and effective people management. Our members serve in the public and private sectors representing unionized and non-unionized businesses of all sizes. The focus of the HR professional is to serve as a facilitator between the employer and employee(s) so that a safe and productive work environment is achieved. On a daily basis our members are on the front lines when it comes to important employment issues:

- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations
- Workers' Compensation
- Unemployment Insurance

Today, KS SHRM stands in support of SB 187 because it proposes to address what has become a contentious and closed process with little ability for the business community to participate. Currently, the process allows only the Kansas Chamber and the Kansas AFL-CIO to recommend candidates for the workers compensation process. While there are some members of KS SHRM who belong to the Kansas Chamber, the majority of them do not. As a result, our organization has little ability to influence their recommendations. Currently, the membership of KS SHRM has a significant interest in the workers compensation judicial selection process as many of our members are responsible for coordinating the claims for both the employer and employee. ***KS SHRM has a vantage point unlike any other interest group in Kansas. As such, we strongly believe the broadening of the judicial recommendation process and including more groups involved in the system will produce a better, more qualified candidate.***

In addition, KS SHRM supports the consolidation of appointments for the Unemployment Compensation system. It is KS SHRM's belief that by consolidating the two boards to one will streamline the appointment process and identify a larger pool of candidates from which the selections can be made. A consistent concern shared by KS SHRM members regarding the Unemployment System is the inconsistency and lack of practical work experience of unemployment insurance referees. This inexperience leads to unjust decisions for both employees and employers. KS SHRM would argue if we can have better information and experienced review panelists; the system will be more fair for both the employer and employee.

Why KS SHRM believes Senate Bill 187 should be passed:

1. SB 187 improves the nominating committee for Work Comp Administrative Law Judges, Work Comp Appeals Board Members and Unemployment Insurance Board of Review Members by expanding the current selection process from a two member nominating committee (Kansas Chamber and AFL-CIO) who must reach a consensus before submitting a nominee to the Secretary of Labor.
2. Due to the polarized nature of the two groups currently involved, the reality is applicants are negotiated not to the most qualified, but to the least objectionable.
3. Under the current system, organized labor represents 50% of the decision making process when they actually represent less than 10% of the Kansas workforce.
4. During the 2011 session, the Kansas legislature passed HB 2134, a compromise agreement between business and labor (and the first significant work comp reform legislation to pass in 18 years). The Secretary of Labor brought an amendment while the bill was in the Senate granting the Secretary full authority to nominate the work

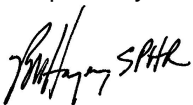
comp ALJ's and Appeals Board members. Business groups did not feel comfortable granting the Secretary authority for ALJ and Appeals Board nominees.

- a. During the 2012 session, HB 2531 (identical to SB 187) was introduced at the request of the Secretary of Labor, which is more balanced, inclusive, and apolitical than the 2011 amendment.
 - b. SB 187 creates a new more inclusive 7-member panel with representation from multiple organizations interested in workers compensation and unemployment.
 - Members of the appointment council would be compromised of:
 - Two business representatives, one each from the following:
 - i. The Kansas Chamber of Commerce
 - ii. The National Federation of Independent Business (NFIB)
 - Two labor representatives, one each from the following:
 - i. The AFL-CIO
 - ii. A public employee organization or professional employees' organization
 - Two neutral representatives, one each from the following:
 - i. The Kansas State Council of the Society for Human Resource Mgmt (KS SHRM)
 - ii. Kansas Self-Insurers Association (KSIA)
 - One additional representative from the Kansas Department of Labor:
 - i. KS Secretary of Labor or designated appointee
5. With the additional interest represented on the nomination committee, the process will be more comprehensive and the number of applicants will increase.
 6. Before any action can be taken by this modernized panel, a 2/3 super majority is required before any action can be taken.

KS SHRM was part of the collective effort to pass sweeping Workers Compensation reform in Kansas in 2011. After witnessing the success this collective effort, I am confident the groups named in SB 187, together can greatly improve the selection processes in Kansas for both the workers compensation system and the unemployment compensation system.

Thank you for the opportunity to submit written testimony today and also for service and dedication in making Kansas a great state to live, work and do business in. I can be contacted at 316.619.7864 or by email at phayes@the-arnold-group.com for questions/concerns.

Respectfully,

Handwritten signature of Phillip M. Hayes in black ink, with the letters 'SPHR' written in a larger font to the right of the signature.

Phillip M. Hayes, SPHR
2013 Director, KS SHRM