

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 a.m. on Monday, February 16, 2015, 548-S of the Capitol.

All members were present except:

Senator Oletha Faust-Goudeau – Excused
Senator Rick Wilborn – Excused
Senator Jeff Longbine – Excused
Senator Tom Holland – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department
Debbie Bartuccio, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Justin McFarland, Deputy General Counsel, Kansas Department of Labor

Others in attendance:

[See Attached List](#)

Hearing continuation on: SB154 — Amending unemployment insurance benefits determination; employer classification and contribution rates.

Chairperson Lynn opened the continuation of the hearing on **SB 154** and recognized the following conferee.

Justin McFarland, Deputy General Counsel, Kansas Department of Labor (KDOL), presented testimony in opposition to the bill. [\(Attachment 1\)](#) He indicated the Kansas Department of Labor supports the concept of moving from an arrayed to a fixed tax system. He said the structure of **SB 154** is appealing, but the thresholds and solvency adjustments in the Fund Control Table and the reserve ratio limits in the Standard Rate Schedule on page 15 of the bill should be adjusted to ensure an adequate, solvent trust fund. He stated the KDOL looks forward to working with the Committee on amending the bill to meet those goals.

There was discussion concerning the spend down of the Trust Fund during the last recession and the effect of the moratorium on employer contributions to the fund during 2007-2008. Mr. McFarland stated changes have been made over the years to restore the integrity of the Trust Fund. There was discussion concerning the effect of the bill on negative balance employers.

Written-only testimony in opposition to the bill was submitted by:

- Bruce Tunnell, AFL-CIO [\(Attachment 2\)](#)

There was no neutral testimony.

CONTINUATION SHEET

MINUTES of the Committee on Commerce at 8:30 a.m. on Monday, February 16, 2015, 548-S of the Capitol.

At the conclusion of the question and answer session, Chairperson Lynn continued the hearing on **SB 154** to provide time for the interested parties to collaborate on alternative solutions.

The meeting was adjourned at 9:15 a.m. The next meeting is scheduled for February 17, 2015.