

HOUSE BILL No. 2568

By Committee on Appropriations

3-16

AN ACT concerning workforce development; establishing the workforce development loan program; concerning employment security law, establishing certain funds and transfers; relating to certain postsecondary programs; amending K.S.A. 44-710a and 72-4433 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. As used in this act:

(a) "Department" means the department of human resources.

(b) "Plan fund" means the employment security TARGET initiative plan fund.

(c) "Secretary" means the secretary of human resources.

New Sec. 2. (a) There is hereby created in the state treasury the workforce education enhancement fund. The workforce education enhancement fund shall consist of moneys credited to the fund by the state treasurer and interest earnings transferred pursuant to subsection (f) of section 1, and amendments thereto. All expenditures from the workforce education enhancement fund shall be allocated no more than two times a fiscal year by the state board of regents to area vocational schools, area vocational technical schools and technical colleges for operating expenses or capital improvements for such schools to expand vocational programs and to increase the number of students enrolled in such programs. The state board of regents shall develop a formula to allocate moneys from the fund based on each such school's proportion of total credit hour enrollment. Such expenditures shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive officer of the state board of regents or a person designated by the executive officer.

New Sec. 3. The purpose of the TARGET fund shall be to develop and improve the Kansas workforce development system through training, assessment tools, recruiting of labor, providing a gateway to services, improving employment centers and offering transition support for employers and employees resulting in a more robust and effective labor exchange system. The fund may be used, for example, to recruit skilled and qualified labor to Kansas businesses; provide training opportunities to those

1 lacking basic skills to make them employable; to assist business in finding
2 those who have appropriate skills; to assist those with marketable skills to
3 market themselves and locate opportunities; and to assist those whose
4 skills may no longer be in demand to improve upon those skills or learn
5 new skills so that they may rejoin the ranks of the employed and fill vacant
6 positions in business and industry. The fund may also be used to provide
7 the technological advances necessary to provide services for both the
8 worker and the employer; to establish programs to better inform the
9 employer and the workforce as to what programs and assistance are avail-
10 able; and to provide physical facilities and equipment necessary to effi-
11 ciently and effectively extend these services to all our citizens in every
12 corner of our state.

13 New Sec. 4. (a) There is created in the state treasury a special trust
14 fund, separate and apart from all other public moneys or funds of this
15 state, to be known as the employment security TARGET initiative plan
16 fund, hereafter "plan fund." Part of the proceeds from the tax on contri-
17 butions imposed shall be credited to the plan fund, as specified by statute.
18 Except as provided herein, all proceeds from the TARGET initiative tax
19 defined in subsection (b) of this section shall be paid into the plan fund
20 and shall be mingled and undivided. The moneys in the plan fund may
21 be used by the secretary (1) solely for the payment of benefits and in
22 accordance with the provisions of this act and rules and regulations
23 adopted by the secretary when funds from this state's account in the
24 federal unemployment trust fund has been exhausted and (2) to provide
25 refunds to employers. The state treasurer shall be the ex officio treasurer
26 and custodian of the plan fund and shall invest such moneys in accordance
27 with existing law and rules and regulations promulgated pursuant thereto.
28 Furthermore, the state treasurer shall disburse the money in accordance
29 with the directions of the secretary of human resources and in accordance
30 with such rules and regulations as the secretary of human resources may
31 prescribe.

32 (b) Effective January 1, 2001, a TARGET initiative tax shall be and
33 is hereby imposed on all covered employers required to pay contributions
34 pursuant to K.S.A. 44-710a, and amendments thereto. The tax shall be
35 due and payable at the same time and in the same manner as contribu-
36 tions. For calendar year 2001, 2002, 2003 and 2004, there will be a TAR-
37 GET initiative tax rate for all eligible, positive balanced employers. The
38 terms and conditions of the provisions of the employment security law
39 which apply to the payment and collection of contributions also apply to
40 the payment and collection of the TARGET initiative tax imposed by this
41 subsection, including the same calculations, assessments, method of pay-
42 ment, interest, penalty, liens, collection procedures and refund proce-
43 dures. In the administration of the provisions of this section and the col-

1 lection of the TARGET initiative tax created in this subsection, the
2 secretary is granted all rights, authority and prerogatives granted the sec-
3 retary under the provisions of the employment security law. Moneys col-
4 lected from an employer delinquent in paying contributions and TAR-
5 GET initiative taxes shall be applied pro rata to pay delinquent
6 contributions to the employment security fund, and delinquent TARGET
7 initiative taxes to plan fund pursuant to this section. Any interest and
8 penalties collected pursuant to this subsection shall be paid into the spe-
9 cial employment security fund, K.S.A. 44-716a, and amendments thereto,
10 and any interest or penalties refunded under this section shall be paid
11 out of the same fund. TARGET initiative taxes paid pursuant to this
12 subsection may not be deducted in whole or in part by any employer
13 from the wages of individuals in its employ. All TARGET initiative taxes
14 collected pursuant to this subsection shall be deposited in the clearing
15 account of the employment security fund for clearance only and shall not
16 become part of such fund. After clearance, the moneys shall be deposited
17 in the plan fund established in subsection (a) of this section. Except as to
18 TARGET initiative taxes unpaid on the date on which they are due and
19 payable, no TARGET initiative taxes shall be collected or paid into the
20 plan fund during a calendar year if, as of July 31 of the preceding calendar
21 year, the balance of the plan fund equals or exceeds \$400,000,000. This
22 subsection shall expire effective January 1, 2005.

23 (c) Subject to the provisions of subsections (f) and (g) of this section,
24 the interest earned from investment of the plan fund moneys shall be
25 deposited in a fund hereby established in the state treasurer's office, to
26 be known as the TARGET administrative fund. The moneys in the TAR-
27 GET administrative fund shall be held separate and apart from all other
28 public moneys or funds of this state and shall be mingled and undivided.
29 The state treasurer shall be the ex officio treasurer and custodian of this
30 fund and may invest such moneys in accordance with existing law and
31 rules and regulations promulgated pursuant thereto. Any interest earned
32 on such money shall be deposited in the TARGET administrative fund.
33 These moneys shall be used for the payment of the following expenses
34 and obligations relating to the administration of the workforce develop-
35 ment program, the employment security programs to include the em-
36 ployment and training program and the unemployment insurance
37 program:

38 (1) Expenditures deemed necessary by the secretary in the adminis-
39 tration of the workforce development program, state employment and
40 training program and state unemployment insurance program for which
41 no funds or insufficient federal funds have been allocated.

42 (2) Funding of programs, specifically for the benefit of unemployed
43 workers who have received notice of long-term layoff or permanent un-

1 employment, which enhance the employability of workers.

2 (3) Funding of repair or renovation of infrastructure utilized in the
3 administration of the workforce development program, state employment
4 and training program and state unemployment insurance program.

5 (4) Payment of administrative costs for the collection of the tax to be
6 paid into the plan fund.

7 The use of funds from the TARGET administrative fund, for the pur-
8 poses set out in the above paragraph, shall be pursuant to appropriations.
9 Funds appropriated from the TARGET administrative fund that are
10 unexpended and unencumbered at the end of the fiscal year for which
11 they are appropriated shall revert to the state treasury to the credit of the
12 TARGET administrative fund. The secretary shall report annually by Jan-
13 uary 15 of each year to the legislature and the advisory council the ex-
14 penditures and disbursements made from the fund during the preceding
15 fiscal year, and the proposed expenditures to be made during the next
16 fiscal year.

17 (d) Administrative costs for the collection of the TARGET initiative
18 tax defined in subsection (b) of this section, and any penalties or interest
19 thereon, shall be paid from the federal administrative grants received
20 under title III of the social security act, as amended, to the extent per-
21 mitted by federal law, and then from the special employment security
22 fund until such time as the TARGET administrative fund established in
23 subsection (c) of this section, has sufficient moneys to cover such admin-
24 istrative costs but in any event, no later than July 1, 2002.

25 (e) For fiscal year 2003 and each fiscal year thereafter the secretary
26 shall make at least 25% of the TARGET administrative fund available for
27 targeted workforce training in specific high need businesses or industries
28 or expanded vocational training programs in high demand trades. To al-
29 locate these training monies the secretary may request proposals for train-
30 ing projects or programs. Vocational education programs within the de-
31 partment of corrections shall be eligible to apply for funding under this
32 subsection.

33 (f) On or before the 10th of each month, the director of accounts and
34 reports shall transfer from the employment security TARGET initiative
35 plan fund to the workforce development loan fund interest earnings based
36 on:

37 (1) An amount equal to 10% of:

38 (A) The average daily balance of moneys in the employment security
39 TARGET initiative plan fund; and

40 (B) The net earnings of the pooled money investment portfolio for
41 the preceding month.

42 (2) Interest earnings transferred pursuant to this subsection shall not
43 exceed an aggregate of \$2,000,000 in a fiscal year.

1 (g) On or before the 10th of each month, the director of accounts
2 and reports shall transfer from the employment security TARGET initia-
3 tive plan fund to the workforce education enhancement fund interest
4 earnings based on:

5 (1) An amount equal to 30% of:

6 (A) The average daily balance of moneys in the employment security
7 TARGET initiative plan fund; and

8 (B) the net earnings of the pooled money investment portfolio for
9 the preceding month.

10 (2) Interest earnings transferred pursuant to this subsection shall not
11 exceed an aggregate of \$6,000,000 in a fiscal year.

12 Sec. 5. K.S.A. 44-710a is hereby amended to read as follows: 44-
13 710a. (a) *Classification of employers by the secretary.* The term “em-
14 ployer” as used in this section refers to contributing employers. The sec-
15 retary shall classify employers in accordance with their actual experience
16 in the payment of contributions on their own behalf and with respect to
17 benefits charged against their accounts with a view of fixing such contri-
18 bution rates as will reflect such experience. If, as of the date such clas-
19 sification of employers is made, the secretary finds that any employing
20 unit has failed to file any report required in connection therewith, or has
21 filed a report which the secretary finds incorrect or insufficient, the sec-
22 retary shall make an estimate of the information required from such em-
23 ploying unit on the basis of the best evidence reasonably available to the
24 secretary at the time, and notify the employing unit thereof by mail ad-
25 dressed to its last known address. Unless such employing unit shall file
26 the report or a corrected or sufficient report as the case may be, within
27 15 days after the mailing of such notice, the secretary shall compute such
28 employing unit’s rate of contributions on the basis of such estimates, and
29 the rate as so determined shall be subject to increase but not to reduction
30 on the basis of subsequently ascertained information. The secretary shall
31 determine the contribution rate of each employer in accordance with the
32 requirements of this section.

33 (1) *New employers.* (A) No employer will be eligible for a rate com-
34 putation until there have been 24 consecutive calendar months immedi-
35 ately preceding the computation date throughout which benefits could
36 have been charged against such employer’s account.

37 (B) (i) Employers who are not eligible for a rate computation shall
38 pay contributions at an assigned rate equal to the sum of 1% plus the
39 greater of the average rate assigned in the preceding calendar year to all
40 employers in such industry ~~division~~ sector or the average rate assigned to
41 all covered employers during the preceding calendar year, except that in
42 no instance shall any such assigned rate be less than 2%. Employers en-
43 gaged in more than one type of industrial activity shall be classified by

1 principal activity. All rates assigned will remain in effect for a complete
2 calendar year. If the sale or acquisition of a new establishment would
3 require reclassification of the employer to a different industry ~~division~~
4 *sector*, the employer would be promptly notified, and the contribution
5 rate applicable to the new industry ~~division~~ *sector* would become effective
6 the following January 1. For rate years 1995, 1996, 1997, 1998 and 1999
7 all employers who are not eligible for rate computation shall pay contri-
8 butions at the rate of 1%. However, for rate year 1996, 1997, 1998 and
9 1999 the 1% contribution rate for all employers who are not eligible for
10 a rate computation shall not be effective if the reserve fund ratio in col-
11 umn A of schedule III as determined by this section is less than 1.75%.
12 *For rate years 2001, 2002, 2003 and 2004 all employers who are not*
13 *eligible for a rate computation shall pay contributions at the rate of 1%*
14 *and TARGET initiative taxes at the greater of the average rate assigned*
15 *in the preceding calendar year to all employers in such industry sector or*
16 *the average rate assigned to all covered employers during the preceding*
17 *calendar year, except that in no instance shall any such assigned rate be*
18 *less than 1%.*

19 (ii) For purposes of this subsection (a), employers shall be classified
20 by industrial activity in accordance with standard procedures as set forth
21 in rules and regulations adopted by the secretary.

22 (C) "Computation date" means June 30 of each calendar year with
23 respect to rates of contribution applicable to the calendar year beginning
24 with the following January 1. In arriving at contribution rates for each
25 calendar year, contributions paid on or before July 31 following the com-
26 putation date for employment occurring on or prior to the computation
27 date shall be considered for each contributing employer who has been
28 subject to this act for a sufficient period of time to have such employer's
29 rate computed under this subsection (a).

30 (2) *Eligible employers.* (A) A reserve ratio shall be computed for each
31 eligible employer by the following method: Total benefits charged to the
32 employer's account for all past years shall be deducted from all contri-
33 butions *and TARGET initiative taxes* paid by such employer for all such
34 years. The balance, positive or negative, shall be divided by the employer's
35 average annual payroll, and the result shall constitute the employer re-
36 serve ratio.

37 (B) Negative account balance employers as defined in subsection (d)
38 shall pay contributions at the rate of 5.4% for each calendar year. How-
39 ever, for rate years 1996, 1997, 1998 and 1999 all negative account bal-
40 ance eligible employers will be assigned rates and pay contributions in
41 accordance with the following schedule.
42
43

SCHEDULE IIA

1	2	3	4
Rate Group	Reserve Ratio	Effective Rates	
	Negative Eligible Accounts		
1	Less than	0.00 but greater than -0.40	1.1
2		-0.40 but greater than -0.80	1.2
3		-0.80 but greater than -1.20	1.3
4		-1.20 but greater than -1.60	1.4
5		-1.60 but greater than -2.00	1.5
6		-2.00 but greater than -2.40	1.6
7		-2.40 but greater than -2.80	1.7
8		-2.80 but greater than -3.20	1.8
9		-3.20 but greater than -3.60	1.9
10		-3.60 but greater than -4.00	2.0
11		-4.00 but greater than -4.40	2.1
12		-4.40 but greater than -4.80	2.2
13		-4.80 but greater than -5.20	2.3
14		-5.20 but greater than -5.60	2.4
15		-5.60 but greater than -6.00	2.5
16		-6.00 but greater than -6.40	2.6
17		-6.40 but greater than -6.80	2.7
18		-6.80 but greater than -7.20	2.8
19		-7.20 but greater than -7.60	2.9
20		-7.60 but greater than -8.00	3.0
21		-8.00 but greater than -8.40	3.1
22		-8.40 but greater than -8.80	3.2
23		-8.80 but greater than -9.20	3.3
24		-9.20 but greater than -9.60	3.4
25		-9.60 but greater than -10.00	3.5
26		-10.00 but greater than -10.40	3.6
27		-10.40 but greater than -10.80	3.7
28		-10.80 but greater than -11.20	3.8
29		-11.20 but greater than -11.60	3.9
30		-11.60 but greater than -12.00	4.0
31		-12.00 but greater than -12.40	4.1
32		-12.40 but greater than -12.80	4.2
33		-12.80 but greater than -13.20	4.3
34		-13.20 but greater than -13.60	4.4
35		-13.60 but greater than -14.00	4.5
36		-14.00 but greater than -14.40	4.6
37		-14.40 but greater than -14.80	4.7
38		-14.80 but greater than -15.20	4.8
39		-15.20 but greater than -15.60	4.9
40		-15.60 but greater than -16.00	5.0

1	41	-16.00 but greater than -16.40	5.1
2	42	-16.40 but greater than -16.80	5.2
3	43	-16.80 but greater than -17.20	5.3
4	44	-17.20 but greater than -17.60	5.4
5	45	-17.60 but greater than -18.00	5.5
6	46	-18.00 but greater than -18.40	5.6
7	47	-18.40 but greater than -18.80	5.7
8	48	-18.80 but greater than -19.20	5.8
9	49	-19.20 but greater than -19.60	5.9
10	50	-19.60 and less	6.0

11 (C) Eligible employers, other than negative account balance employ-
 12 ers, who do not meet the average annual payroll requirements as stated
 13 in subsection (a)(2) of K.S.A. 44-703 and amendments thereto, will be
 14 issued the maximum rate indicated in subsection (a)(3)(C) of this section
 15 until such employer establishes a new period of 24 consecutive calendar
 16 months immediately preceding the computation date throughout which
 17 benefits could have been charged against such employer's account by
 18 resuming the payment of wages. Contribution rates effective for each
 19 calendar year thereafter shall be determined as prescribed below.

20 (D) As of each computation date, the total of the taxable wages paid
 21 during the twelve-month period prior to the computation date by all em-
 22 ployers eligible for rate computation, except negative account balance
 23 employers, shall be divided into 51 approximately equal parts designated
 24 in column A of schedule I as "rate groups," except, with regard to a year
 25 in which the taxable wage base changes. The taxable wages used in the
 26 calculation for such a year and the following year shall be an estimate of
 27 what the taxable wages would have been if the new taxable wage base
 28 had been in effect during the entire twelve-month period prior to the
 29 computation date. The lowest numbered of such rate groups shall consist
 30 of the employers with the most favorable reserve ratios, as defined in this
 31 section, whose combined taxable wages paid are less than 1.96% of all
 32 taxable wages paid by all eligible employers. Each succeeding higher
 33 numbered rate group shall consist of employers with reserve ratios that
 34 are less favorable than those of employers in the preceding lower num-
 35 bered rate groups and whose taxable wages when combined with the
 36 taxable wages of employers in all lower numbered rate groups equal the
 37 appropriate percentage of total taxable wages designated in column B of
 38 schedule I. Each eligible employer, other than a negative account balance
 39 employer, shall be assigned an experience factor designated under col-
 40 umn C of schedule I in accordance with the rate group to which the
 41 employer is assigned on the basis of the employer's reserve ratio and
 42 taxable payroll. If an employer's taxable payroll falls into more than one
 43 rate group the employer shall be assigned the experience factor of the

1 lower numbered rate group. If one or more employers have reserve ratios
 2 identical to that of the last employer included in the next lower numbered
 3 rate group, all such employers shall be assigned the experience factor
 4 designated to such last employer, notwithstanding the position of their
 5 taxable payroll in column B of schedule I.

6 **SCHEDULE I—Eligible Employers**

7	Column A	Column B	Column C
8	Rate	Cumulative	Experience factor
9	group	taxable payroll	(Ratio to total wages)
10	1	Less than 1.96%025%
11	2	1.96% but less than 3.92.....	.04
12	3	3.92 but less than 5.88.....	.08
13	4	5.88 but less than 7.84.....	.12
14	5	7.84 but less than 9.80.....	.16
15	6	9.80 but less than 11.76.....	.20
16	7	11.76 but less than 13.72.....	.24
17	8	13.72 but less than 15.68.....	.28
18	9	15.68 but less than 17.64.....	.32
19	10	17.64 but less than 19.60.....	.36
20	11	19.60 but less than 21.56.....	.40
21	12	21.56 but less than 23.52.....	.44
22	13	23.52 but less than 25.48.....	.48
23	14	25.48 but less than 27.44.....	.52
24	15	27.44 but less than 29.40.....	.56
25	16	29.40 but less than 31.36.....	.60
26	17	31.36 but less than 33.32.....	.64
27	18	33.32 but less than 35.28.....	.68
28	19	35.28 but less than 37.24.....	.72
29	20	37.24 but less than 39.20.....	.76
30	21	39.20 but less than 41.16.....	.80
31	22	41.16 but less than 43.12.....	.84
32	23	43.12 but less than 45.08.....	.88
33	24	45.08 but less than 47.04.....	.92
34	25	47.04 but less than 49.00.....	.96
35	26	49.00 but less than 50.96.....	1.00
36	27	50.96 but less than 52.92.....	1.04
37	28	52.92 but less than 54.88.....	1.08
38	29	54.88 but less than 56.84.....	1.12
39	30	56.84 but less than 58.80.....	1.16
40	31	58.80 but less than 60.76.....	1.20
41	32	60.76 but less than 62.72.....	1.24
42	33	62.72 but less than 64.68.....	1.28
43	34	64.68 but less than 66.64.....	1.32

1	35	66.64 but less than 68.60	1.36
2	36	68.60 but less than 70.56	1.40
3	37	70.56 but less than 72.52	1.44
4	38	72.52 but less than 74.48	1.48
5	39	74.48 but less than 76.44	1.52
6	40	76.44 but less than 78.40	1.56
7	41	78.40 but less than 80.36	1.60
8	42	80.36 but less than 82.32	1.64
9	43	82.32 but less than 84.28	1.68
10	44	84.28 but less than 86.24	1.72
11	45	86.24 but less than 88.20	1.76
12	46	88.20 but less than 90.16	1.80
13	47	90.16 but less than 92.12	1.84
14	48	92.12 but less than 94.08	1.88
15	49	94.08 but less than 96.04	1.92
16	50	96.04 but less than 98.00	1.96
17	51	98.00 and over	2.00

18 (E) Negative account balance employers shall, in addition to paying
 19 the rate provided for in subsection (a)(2)(B) of this section, except for
 20 rate years 1996, 1997, 1998 and 1999, pay a surcharge based on the size
 21 of the employer's negative reserve ratio, the calculation which is provided
 22 for in subsection (a)(2) of this section. The amount of the surcharge shall
 23 be determined from column B of schedule II of this section. Each neg-
 24 ative account balance employer who does not satisfy the requirements to
 25 have an average annual payroll, as defined by subsection (a)(2) of K.S.A.
 26 44-703 and amendments thereto, shall be assigned a surcharge of 2%.
 27 Contribution payments made pursuant to this subsection (a)(2)(E) shall
 28 be credited to the appropriate account of such negative account balance
 29 employer. *For rate years 2001, 2002, 2003 and 2004 the payments made*
 30 *pursuant to this subsection shall be deposited in the employment security*
 31 *TARGET initiative plan fund.*

32 **SCHEDULE II—Surcharge on Negative Accounts**

33	Column A	Column B
34	Negative Reserve Ratio	Surcharge as a percent
35		of taxable wages
36	Less than 2.0%	0.20%
37	2.0% but less than 4.040
38	4.0 but less than 6.060
39	6.0 but less than 8.080
40	8.0 but less than 10.0.....	1.00
41	10.0 but less than 12.0	1.20
42	12.0 but less than 14.0	1.40
43	14.0 but less than 16.0	1.60

1	16.0 but less than 18.0	1.80
2	18.0 and over.....	2.00

3 (3) *Planned yield.* (A) For rate year 1995, and all years thereafter, the
4 average required yield shall be determined from schedule III of this sec-
5 tion, and the planned yield on total wages in column B of schedule III
6 shall be determined by the reserve fund ratio in column A of schedule
7 III. The reserve fund ratio shall be determined by dividing total assets in
8 the employment security fund provided for in subsection (a) of K.S.A.
9 44-712 and amendments thereto, excluding all moneys credited to the
10 account of this state pursuant to section 903 of the federal social security
11 act, as amended, which have been appropriated by the state legislature,
12 whether or not withdrawn from the trust fund, and excluding contribu-
13 tions not yet paid on July 31 by total payrolls for contributing employers
14 for the preceding fiscal year which ended June 30. For rate years 2000,
15 2001 ~~and~~, 2002, 2003 and 2004, schedule IIIA shall apply. *For rate year*
16 *2002, and all years thereafter, the total assets in the employment security*
17 *TARGET initiative plan fund should be added to the total assets in the*
18 *employment security fund to determine the reserve ratio.*

19 **SCHEDULE IIIA—Fund Control**

20 Ratios to Total Wages

21 Column A	Column B
22 Reserve Fund Ratio	Planned Yield
23 4.250 and over	0.00
24 4.225 but less than 4.250	0.01
25 4.200 but less than 4.225	0.02
26 4.175 but less than 4.200	0.03
27 4.150 but less than 4.175	0.04
28 4.125 but less than 4.150	0.05
29 4.100 but less than 4.125	0.06
30 4.075 but less than 4.100	0.07
31 4.050 but less than 4.075	0.08
32 4.025 but less than 4.050	0.09
33 4.000 but less than 4.025	0.10
34 3.950 but less than 4.000	0.11
35 3.900 but less than 3.950	0.12
36 3.850 but less than 3.900	0.13
37 3.800 but less than 3.850	0.14
38 3.750 but less than 3.800	0.15
39 3.700 but less than 3.750	0.16
40 3.650 but less than 3.700	0.17
41 3.600 but less than 3.650	0.18
42 3.550 but less than 3.600	0.19
43 3.500 but less than 3.550	0.20

1	3.450 but less than 3.500	0.21
2	3.400 but less than 3.450	0.22
3	3.350 but less than 3.400	0.23
4	3.300 but less than 3.350	0.24
5	3.250 but less than 3.300	0.25
6	3.200 but less than 3.250	0.26
7	3.150 but less than 3.200	0.27
8	3.100 but less than 3.150	0.28
9	3.050 but less than 3.100	0.29
10	3.000 but less than 3.050	0.30
11	2.950 but less than 3.000	0.31
12	2.900 but less than 2.950	0.32
13	2.850 but less than 2.900	0.33
14	2.800 but less than 2.850	0.34
15	2.750 but less than 2.800	0.35
16	2.700 but less than 2.750	0.36
17	2.650 but less than 2.700	0.37
18	2.600 but less than 2.650	0.38
19	2.550 but less than 2.600	0.39
20	2.500 but less than 2.550	0.40
21	2.450 but less than 2.500	0.41
22	2.400 but less than 2.450	0.42
23	2.350 but less than 2.400	0.43
24	2.300 but less than 2.350	0.44
25	2.250 but less than 2.300	0.45
26	2.200 but less than 2.250	0.46
27	2.150 but less than 2.200	0.47
28	2.100 but less than 2.150	0.48
29	2.050 but less than 2.100	0.49
30	2.000 but less than 2.050	0.50
31	1.975 but less than 2.000	0.51
32	1.950 but less than 1.975	0.52
33	1.925 but less than 1.950	0.53
34	1.900 but less than 1.925	0.54
35	1.875 but less than 1.900	0.55
36	1.850 but less than 1.875	0.56
37	1.825 but less than 1.850	0.57
38	1.800 but less than 1.825	0.58
39	1.775 but less than 1.800	0.59
40	1.750 but less than 1.775	0.60
41	1.725 but less than 1.750	0.61
42	1.700 but less than 1.725	0.62
43	1.675 but less than 1.700	0.63

1	1.650 but less than 1.675	0.64
2	1.625 but less than 1.650	0.65
3	1.600 but less than 1.625	0.66
4	1.575 but less than 1.600	0.67
5	1.550 but less than 1.575	0.68
6	1.525 but less than 1.550	0.69
7	1.500 but less than 1.525	0.70
8	1.475 but less than 1.500	0.71
9	1.450 but less than 1.475	0.72
10	1.425 but less than 1.450	0.73
11	1.400 but less than 1.425	0.74
12	1.375 but less than 1.400	0.75
13	1.350 but less than 1.375	0.76
14	1.325 but less than 1.350	0.77
15	1.300 but less than 1.325	0.78
16	1.275 but less than 1.300	0.79
17	1.250 but less than 1.275	0.80
18	1.225 but less than 1.250	0.81
19	1.200 but less than 1.225	0.82
20	1.175 but less than 1.200	0.83
21	1.150 but less than 1.175	0.84
22	1.125 but less than 1.150	0.85
23	1.100 but less than 1.125	0.86
24	1.075 but less than 1.100	0.87
25	1.050 but less than 1.075	0.88
26	1.025 but less than 1.050	0.89
27	1.000 but less than 1.025	0.90
28	0.900 but less than 1.000	0.91
29	0.800 but less than 0.900	0.92
30	0.700 but less than 0.800	0.93
31	0.600 but less than 0.700	0.94
32	0.500 but less than 0.600	0.95
33	0.400 but less than 0.500	0.96
34	0.300 but less than 0.400	0.97
35	0.200 but less than 0.300	0.98
36	0.100 but less than 0.200	0.99
37	Less than 0.100%	1.00

**SCHEDULE III—Fund Control
Ratios to Total Wages**

38		
39		
40	Column A	Column B
41	Reserve Fund Ratio	Planned Yield
42	4.500 and over	0.00
43	4.475 but less than 4.500	0.01

1	4.450 but less than 4.475	0.02
2	4.425 but less than 4.450	0.03
3	4.400 but less than 4.425	0.04
4	4.375 but less than 4.400	0.05
5	4.350 but less than 4.375	0.06
6	4.325 but less than 4.350	0.07
7	4.300 but less than 4.325	0.08
8	4.275 but less than 4.300	0.09
9	4.250 but less than 4.275	0.10
10	4.225 but less than 4.250	0.11
11	4.200 but less than 4.225	0.12
12	4.175 but less than 4.200	0.13
13	4.150 but less than 4.175	0.14
14	4.125 but less than 4.150	0.15
15	4.100 but less than 4.125	0.16
16	4.075 but less than 4.100	0.17
17	4.050 but less than 4.075	0.18
18	4.025 but less than 4.050	0.19
19	4.000 but less than 4.025	0.20
20	3.950 but less than 4.000	0.21
21	3.900 but less than 3.950	0.22
22	3.850 but less than 3.900	0.23
23	3.800 but less than 3.850	0.24
24	3.750 but less than 3.800	0.25
25	3.700 but less than 3.750	0.26
26	3.650 but less than 3.700	0.27
27	3.600 but less than 3.650	0.28
28	3.550 but less than 3.600	0.29
29	3.500 but less than 3.550	0.30
30	3.450 but less than 3.500	0.31
31	3.400 but less than 3.450	0.32
32	3.350 but less than 3.400	0.33
33	3.300 but less than 3.350	0.34
34	3.250 but less than 3.300	0.35
35	3.200 but less than 3.250	0.36
36	3.150 but less than 3.200	0.37
37	3.100 but less than 3.150	0.38
38	3.050 but less than 3.100	0.39
39	3.000 but less than 3.050	0.40
40	2.950 but less than 3.000	0.41
41	2.900 but less than 2.950	0.42
42	2.850 but less than 2.900	0.43
43	2.800 but less than 2.850	0.44

1	2.750 but less than 2.800	0.45
2	2.700 but less than 2.750	0.46
3	2.650 but less than 2.700	0.47
4	2.600 but less than 2.650	0.48
5	2.550 but less than 2.600	0.49
6	2.500 but less than 2.550	0.50
7	2.450 but less than 2.500	0.51
8	2.400 but less than 2.450	0.52
9	2.350 but less than 2.400	0.53
10	2.300 but less than 2.350	0.54
11	2.250 but less than 2.300	0.55
12	2.200 but less than 2.250	0.56
13	2.150 but less than 2.200	0.57
14	2.100 but less than 2.150	0.58
15	2.050 but less than 2.100	0.59
16	2.000 but less than 2.050	0.60
17	1.975 but less than 2.000	0.61
18	1.950 but less than 1.975	0.62
19	1.925 but less than 1.950	0.63
20	1.900 but less than 1.925	0.64
21	1.875 but less than 1.900	0.65
22	1.850 but less than 1.875	0.66
23	1.825 but less than 1.850	0.67
24	1.800 but less than 1.825	0.68
25	1.775 but less than 1.800	0.69
26	1.750 but less than 1.775	0.70
27	1.725 but less than 1.750	0.71
28	1.700 but less than 1.725	0.72
29	1.675 but less than 1.700	0.73
30	1.650 but less than 1.675	0.74
31	1.625 but less than 1.650	0.75
32	1.600 but less than 1.625	0.76
33	1.575 but less than 1.600	0.77
34	1.550 but less than 1.575	0.78
35	1.525 but less than 1.550	0.79
36	1.500 but less than 1.525	0.80
37	1.475 but less than 1.500	0.81
38	1.450 but less than 1.475	0.82
39	1.425 but less than 1.450	0.83
40	1.400 but less than 1.425	0.84
41	1.375 but less than 1.400	0.85
42	1.350 but less than 1.375	0.86
43	1.325 but less than 1.350	0.87

1	1.300 but less than 1.325	0.88
2	1.275 but less than 1.300	0.89
3	1.250 but less than 1.275	0.90
4	1.225 but less than 1.250	0.91
5	1.200 but less than 1.225	0.92
6	1.175 but less than 1.200	0.93
7	1.150 but less than 1.175	0.94
8	1.125 but less than 1.150	0.95
9	1.100 but less than 1.125	0.96
10	1.075 but less than 1.100	0.97
11	1.050 but less than 1.075	0.98
12	1.025 but less than 1.050	0.99
13	1.000 but less than 1.025	1.00
14	0.900 but less than 1.000	1.01
15	0.800 but less than 0.900	1.02
16	0.700 but less than 0.800	1.03
17	0.600 but less than 0.700	1.04
18	0.500 but less than 0.600	1.05
19	0.400 but less than 0.500	1.06
20	0.300 but less than 0.400	1.07
21	0.200 but less than 0.300	1.08
22	0.100 but less than 0.200	1.09
23	Less than 0.100%	1.10

24 (B) *Adjustment to taxable wages.* The planned yield as a percent of
 25 total wages, as determined in this subsection (a)(3), shall be adjusted to
 26 taxable wages by multiplying by the ratio of total wages to taxable wages
 27 for all contributing employers for the preceding fiscal year ending June
 28 30, except, with regard to a year in which the taxable wage base changes.
 29 The taxable wages used in the calculation for such a year and the following
 30 year shall be an estimate of what the taxable wages would have been if
 31 the new taxable wage base had been in effect during all of the preceding
 32 fiscal year ending June 30.

33 (C) *Effective rates.* Except with regard to rates for negative account
 34 balance employers, employer contribution rates to be effective for the
 35 ensuing calendar year shall be computed by adjusting proportionately the
 36 experience factors from schedule I of this section to the required yield
 37 on taxable wages. *For rate years 2001, 2002, 2003 and 2004 the contri-*
 38 *bution rate will be computed by adjusting proportionately the experience*
 39 *factors from schedule I of this section to the required yield on taxable*
 40 *wages by a factor of 0.3 and the TARGET tax rate will be computed by*
 41 *adjusting proportionately the experience factors from schedule I of this*
 42 *section to the required yield on taxable wages by a factor of 0.7.* For the
 43 purposes of this subsection (a)(3), all rates computed shall be rounded to

1 the nearest .01% and for calendar year 1983 and ensuing calendar years,
2 the maximum effective contribution rate shall not exceed 5.4%. For rate
3 years 1995, 1996, 1997, 1998 and 1999, employers, who are current in
4 filing of all reports and in payment of all contributions due, shall be issued
5 a contributions rate of 0%. To be eligible for the 0% rate for rate year
6 1995, an employer must file all delinquent reports and pay all contribu-
7 tions due within a 30-day period following the date of mailing of the
8 amended rating notice. For rate year 1996, 1997, 1998 and 1999 in order
9 to be eligible for the 0% rate, employers must file all reports due and pay
10 all contributions due on or before January 31, 1996, January 31, 1997,
11 January 31, 1998 and January 31, 1999, respectively. However, for rate
12 year 1996, 1997, 1998 and 1999 the 0% contribution rate for such eligible
13 employers shall not be effective if the reserve fund ratio in column A of
14 schedule III as determined by this section is less than 1.75%. For rate
15 years 1996, 1997, 1998 and 1999 the rates in schedule IIA shall apply
16 unless the reserve fund ratio in column A of schedule III as determined
17 by this section is less than 1.75%. On January 15 of 2000, 2001 and 2002,
18 the secretary shall report to the legislature concerning the adequacy of
19 the fund. On July 15 of 2000, 2001 and 2002, the secretary shall make
20 the same report to the legislative coordinating council. As a part of such
21 report, the secretary shall include any recommendations for adjustment
22 of schedule IIIA.

23 (b) *Successor classification.* (1) For the purposes of this subsection
24 (b), whenever an employing unit, whether or not it is an “employing unit”
25 within the meaning of subsection (g) of K.S.A. 44-703 and amendments
26 thereto, becomes an employer pursuant to subsection (h)(4) of K.S.A. 44-
27 703 and amendments thereto or is an employer at the time of acquisition
28 and meets the definition of a “successor employer” as defined by sub-
29 section (dd) of K.S.A. 44-703 and amendments thereto and is controlled
30 substantially either directly or indirectly by legally enforceable means or
31 otherwise by the same interest or interests, shall acquire the experience
32 rating factors of the predecessor employer. These factors consist of all
33 contributions paid, *TARGET initiative taxes paid*, benefit experience and
34 annual payrolls of the predecessor employer.

35 (2) A successor employer as defined by subsection (h)(4) or subsec-
36 tion (dd) of K.S.A. 44-703 and amendments thereto may receive the ex-
37 perience rating factors of the predecessor employer if an application is
38 made to the secretary or the secretary’s designee in writing within 120
39 days of the date of the transfer.

40 (3) Whenever an employing unit, whether or not it is an “employing
41 unit” within the meaning of subsection (g) of K.S.A. 44-703 and amend-
42 ments thereto, acquires or in any manner succeeds to a percentage of an
43 employer’s annual payroll which is less than 100% and intends to continue

1 the acquired percentage as a going business, (A) shall acquire the same
2 percentage of the predecessor's experience factors if the employer is con-
3 trolled substantially, either directly or indirectly or by legally enforceable
4 means or otherwise, by the same interest or interests or (B) may acquire
5 the same percentage of the predecessor's experience factors if: (i) The
6 predecessor employer and successor employing unit make an application
7 in writing on the form prescribed by the secretary, (ii) the application is
8 submitted within 120 days of the date of the transfer, (iii) the successor
9 employing unit is or becomes an employer subject to this act immediately
10 after the transfer, (iv) the percentage of the experience rating factors
11 transferred shall not be thereafter used in computing the contribution
12 rate for the predecessor employer, and (v) the secretary finds that such
13 transfer will not tend to defeat or obstruct the object and purposes of this
14 act.

15 (4) If the acquiring employing unit *meets the requirements to be a*
16 *successor and qualifies for the transfer of experience rating factors as set*
17 *forth in subsections (1) through (3) above and was an employer subject*
18 *to this act prior to the date of the transfer, the rate of contribution and*
19 *TARGET initiative tax for the period from such date to the end of the*
20 *then current contribution year shall be the same as the contribution rate*
21 *and TARGET initiative tax rate prior to the date of the transfer. An*
22 *employing unit which was not subject to this act prior to the date of the*
23 *transfer and meets the requirements to be a successor and qualifies for*
24 *the transfer of experience rating factors as set forth in subsections (1)*
25 *through (3) above shall have a newly computed rate based on the trans-*
26 *ferred experience rating factors as of the computation date immediately*
27 *preceding the date of acquisition. These experience rating factors consist*
28 *of all contributions paid, TARGET initiative taxes paid, benefit experi-*
29 *ence and annual payrolls.*

30 (5) Whenever an employer's account has been terminated as pro-
31 vided in subsections (d) and (e) of K.S.A. 44-711 and amendments thereto
32 and the employer continues with employment to liquidate the business
33 operations, that employer shall continue to be an "employer" subject to
34 the employment security law as provided in subsection (h)(8) of K.S.A.
35 44-703 and amendments thereto. The rate of contribution *and TARGET*
36 *initiative tax rate* from the date of transfer to the end of the then current
37 calendar year shall be the same as the contribution rate *and TARGET*
38 *initiative tax rate* prior to the date of the transfer. At the completion of
39 the then current calendar year, the rate of contribution *and TARGET*
40 *initiative tax rate* shall be that of a "new employer" as described in sub-
41 section (a)(1) of this section.

42 (6) No rate computation will be permitted an employing unit suc-
43 ceeding to the experience of another employing unit pursuant to this

1 section for any period subsequent to such succession except in accordance
2 with rules and regulations adopted by the secretary. Any such regulations
3 shall be consistent with federal requirements for additional credit allow-
4 ance in section 3303 of the federal internal revenue code of 1986, and
5 consistent with the provisions of this act.

6 (c) *Voluntary contributions.* Notwithstanding any other provision of
7 the employment security law, any employer may make voluntary pay-
8 ments for the purpose of reducing or maintaining a reduced rate in ad-
9 dition to the contributions required under this section. Such voluntary
10 payments may be made only during the thirty-day period immediately
11 following the date of mailing of experience rating notices for a calendar
12 year. All such voluntary contribution payments shall be paid prior to the
13 expiration of 120 days after the beginning of the year for which such rates
14 are effective. The amount of voluntary contributions shall be credited to
15 the employer's account as of the next preceding computation date and
16 the employer's rate shall be computed accordingly, except that no em-
17 ployer's rate shall be reduced more than five rate groups as provided in
18 schedule I of this section as the result of a voluntary payment. An em-
19 ployer not having a negative account balance may have such employer's
20 rate reduced not more than five rate groups as provided in schedule I of
21 this section as a result of a voluntary payment. An employer having a
22 negative account balance may have such employer's rate reduced to that
23 prescribed for rate group 51 of schedule I of this section by making a
24 voluntary payment in the amount of such negative account balance or to
25 that rate prescribed for rate groups 50 through 47 of schedule I of this
26 section by making an additional voluntary payment that would increase
27 such employer's reserve ratio to the lower limit required for such rate
28 groups 50 through 47. Under no circumstances shall voluntary payments
29 be refunded in whole or in part.

30 (d) As used in this section, "negative account balance employer"
31 means an eligible employer whose total benefits charged to such em-
32 ployer's account for all past years have exceeded all contributions *and*
33 *TARGET initiative taxes* paid by such employer for all such years.

34 (e) The secretary of human resources shall annually prepare and sub-
35 mit a certification as to the solvency and adequacy of the amount credited
36 to the state of Kansas' account in the federal employment security trust
37 fund to the governor and the employment security advisory council. Com-
38 mencing in calendar year 1994, the certification shall be submitted on or
39 before December 1 of each calendar year and shall be for the twelve-
40 month period ending on June 30 of that calendar year. In arriving at the
41 certification contributions *and TARGET initiative taxes* paid on or before
42 July 31 following the twelve-month period ending date of June 30 shall
43 be considered. Each certification shall be used to determine the need for

1 any adjustment to schedule III in subsection (a)(3)(A) and to assist in
2 preparing legislation to accomplish any such adjustment.

3 New Sec. 6. (a) There is hereby established the workforce develop-
4 ment loan program act.

5 (b) Within the limits of transfers, appropriations and private contri-
6 butions therefor, and in accordance with the provisions of this act, the
7 state board of regents may award such loans to Kansas residents who are
8 enrolled in or admitted to an area vocational technical school, technical
9 college or vocational school administered under the state board of regents
10 and who enter into a written agreement with the state board of regents
11 as provided in section 7 and amendments thereto.

12 (c) The board of regents shall accept any private contributions to the
13 program. The chief executive officer of the board of regents shall turn
14 such contributions over to the state treasurer who shall deposit such mon-
15 eys into the workforce development loan fund.

16 (d) The loans shall be awarded on a priority basis to qualified appli-
17 cants who have the greatest financial need. All loans awarded shall be to
18 resident students attending area vocational technical schools, technical
19 colleges or area vocational schools.

20 (e) Loans awarded under this program shall be awarded on an annual
21 basis and shall be in effect for one year unless otherwise terminated be-
22 fore the expiration of such period of time. Such loans shall be awarded
23 for the payment of tuition, fees, books, room and board and any other
24 necessary school related expenses.

25 New Sec. 7. (a) The applicant for a workforce development loan shall
26 provide to the board of regents on forms provided by such board all
27 information requested by such board.

28 (b) As a condition to awarding such loan, the state board of regents
29 and the recipient of such loan shall enter into an agreement which shall
30 require the person receiving the loan to:

31 (1) Complete the required course of instruction and receive the des-
32 ignated degree, certificate or diploma for that course of instruction;

33 (2) continue to live and work in Kansas after the recipient's course
34 of instruction is completed until the loan is totally forgiven. Agree that
35 for each year of living and working in Kansas, $\frac{1}{8}$ of the total loan amount's
36 principal and interest that accrued during the prior year shall be forgiven;

37 (3) agree that the service commitment for each agreement entered
38 into under this section is in addition to the service commitment contained
39 in any other agreement which has been or may be entered into under
40 this section for the purpose of obtaining a loan;

41 (4) maintain records and make annual reports to the chief executive
42 officer of the board of regents or such executive officer's designee as
43 required to document the satisfaction of the agreement terms of the loan;

1 and

2 (5) repay any amounts required upon the recipient's failure to com-
3 plete the terms of the agreement.

4 (c) Such agreement shall establish a repayment schedule requiring
5 the recipient to begin making payments one year after the discontinuance
6 of the recipient's enrollment in a Kansas educational institution, either
7 by failure to attend, completion of the program or at such other times as
8 the board deems appropriate.

9 New Sec. 8. (a) Upon completion of the recipient's program of study,
10 the recipient shall be eligible for forgiveness of the loan by living and
11 working in Kansas.

12 (b) By annually providing to the board of regents the required doc-
13 umentation certifying that the recipient worked and lived in Kansas
14 throughout the prior year. Such documentation shall be provided to the
15 board of regents within 30 days of the annual due date calculated from
16 the completion of the course of study.

17 (c) If the required documentation certifying that the recipient lived
18 and worked in Kansas is not received in the prescribed time by the board,
19 the remaining loan amount shall be due and payable as prescribed under
20 section 4, and amendments thereto.

21 (d) Interest rates on the loan shall be determined by the state trea-
22 surer according to the interest rate received on the state idle funds plus
23 2%.

24 New Sec. 9. (a) Except as otherwise provided in section 12, and
25 amendments thereto, upon the failure of any person to satisfy an obli-
26 gation incurred under the loan agreement as provided in section 7, and
27 amendments thereto, such person shall repay to the state treasurer an
28 amount equal to the total of (1) the amount of money received by such
29 person pursuant to such agreement, plus (2) accrued interest, calculated
30 at the interest rate on the state idle funds plus 2%, from the date such
31 money was received.

32 (b) Each person required to repay any amount under this section shall
33 repay an amount totaling the entire amount to be repaid under all such
34 agreements for which obligations are not satisfied, including all amounts
35 of interest at the rate prescribed in subsection (a). Except as otherwise
36 provided in this section, such repayment shall be made in installment
37 payments determined by the state board of regents as provided in sub-
38 section (c) of section 7, and amendments thereto.

39 (c) All installment payments under this section shall commence six
40 months after the date of the action or circumstance that causes the failure
41 of the person to satisfy the obligations of such agreements, as determined
42 by the state board of regents based upon the circumstances of each in-
43 dividual case. If an installment payment becomes 91 days overdue, the

1 entire amount outstanding shall become immediately due and payable,
2 including all amounts of interest at the rate prescribed.

3 (d) The total repayment obligation imposed under all agreements en-
4 tered into as provided in section 7, and amendments thereto, may be
5 satisfied at any time prior to graduation by making a single lump-sum
6 payment equal to the total of (1) the entire amount to be repaid under
7 all such agreements upon failure to satisfy the obligations under such
8 agreements to practice in Kansas, plus (2) all amounts of interest accrued
9 thereon at the rate prescribed in subsection (a).

10 (e) The state board of regents is authorized to turn any delinquent
11 repayment account arising under the workforce development loan pro-
12 gram to a designated loan servicer or collection agency, the state not being
13 involved other than to receive payments from the loan servicer or collec-
14 tion agency at the interest rate prescribed under this section.

15 New Sec. 10. (a) There is hereby established in the state treasury the
16 workforce development loan fund. The state board of regents shall remit
17 all moneys received under this act to the state treasurer at least monthly.
18 Upon receipt of each such remittance the state treasurer shall deposit the
19 entire amount thereof in the state treasury, and such amount shall be
20 credited to the workforce development loan fund.

21 (b) The state treasurer, upon receipt of moneys from persons making
22 payments under sections 7, 8 and 9, and amendments thereto, shall de-
23 posit the entire amount thereof in the state treasury, and such amount
24 shall be credited to the workforce development loan fund.

25 (c) All expenditures from the workforce development loan fund shall
26 be made for the purposes of this act and shall be made in accordance
27 with appropriation acts upon warrants of the director of accounts and
28 reports issued pursuant to vouchers approved by the executive officer of
29 the state board of regents or such executive officer's designee.

30 On and before the 10th of each month, the director of accounts and
31 reports shall transfer from the state general fund to the workforce de-
32 velopment loan fund established in subsection (b) interest earnings based
33 on:

34 (1) The average daily balance of moneys in the workforce develop-
35 ment loan fund for the preceding month; and

36 (2) the net earnings rate of the pooled money investment portfolio
37 for the preceding month.

38 New Sec. 11. (a) The state treasurer shall be the receiving agent for
39 loan payments and credits received under the provisions of this act. The
40 state treasurer shall keep a record of payments received from each person
41 and credited to such person's account obligation.

42 (b) The state treasurer shall send all accounts which are three or more
43 months delinquent to the executive officer of the state board of regents.

1 (c) The state treasurer may adopt rules and regulations to administer
2 the state treasurer's duties under the provisions of this act.

3 New Sec. 12. (a) Except as otherwise specified in the agreement, an
4 obligation under any agreement entered into under the workforce de-
5 velopment loan program shall be postponed: (1) During any required
6 period of active military service; (2) during any period of temporary med-
7 ical disability during which the person obligated is unable to work; (3)
8 during any period of time the person is on job-protected leave under the
9 federal family and medical leave act of 1993; or (4) during any period of
10 time the state board of regents determines that the person obligated is
11 unable to work because of special circumstances. Under clause (1), an
12 obligation to work and live in Kansas in accordance with an agreement
13 under section 7, and amendments thereto, shall not be postponed more
14 than five years from the time the person's obligation to work and live in
15 Kansas was to commence under any such agreement. An obligation to
16 work and live in Kansas in accordance with an agreement under section
17 7, and amendments thereto, shall be postponed under clause (2) during
18 the period of time the medical disability exists. An obligation to work and
19 live in Kansas in accordance with an agreement under section 7, and
20 amendments thereto, shall be postponed under clause (3) during the pe-
21 riod of time the person obligated remains on family and medical leave
22 act leave. An obligation to work and live in Kansas in accordance with an
23 agreement under section 7, and amendments thereto, shall be postponed
24 under clause (4) during the period of time the state board of regents
25 determines that the special circumstances exist. The state board of re-
26 gents shall adopt rules and regulations prescribing criteria or guidelines
27 for determination of the existence of special circumstances causing an
28 inability to work and live in Kansas and shall determine the documenta-
29 tion required to prove the existence of such circumstances.

30 (b) An obligation to work and live in Kansas in accordance with an
31 agreement under section 7, and amendments thereto, shall be satisfied:
32 (1) If the obligation to work and live in Kansas has been completed in
33 accordance with the agreement; (2) if the person obligated dies; and (3)
34 if, because of permanent physical disability, the person obligated is unable
35 to work and live in Kansas.

36 New Sec. 13. If a person fails to satisfy an obligation to work and live
37 in Kansas for the required period of time under an agreement entered
38 into as provided in section 7, and amendments thereto, because such
39 person is working in or working and living in a state other than Kansas,
40 and if such person is subject to or currently making repayments under
41 such agreement, and if such person subsequently commences working
42 and living in Kansas in this state in compliance with the agreement, the
43 balance of the repayment amount, including the interest thereon, from

1 the time of commencement of working and living in Kansas until the
2 obligation of such person is satisfied or until such time as such person
3 again becomes subject to repayments, shall be waived. All repayment
4 amounts due prior to commencement of working and living in this state
5 again, including interest thereon, shall continue to be payable as provided
6 under the agreement. If subsequent to commencement of working and
7 living in this state, the person fails to satisfy the obligation to work and
8 live in this state for the period of time specified in the agreement, the
9 person again shall be subject to repayments, including interest thereon,
10 as provided in the agreement.

11 New Sec. 14. The state board of regents shall adopt rules and reg-
12 ulations for administration of the workforce development loan program
13 and shall establish terms, conditions and obligations which shall be in-
14 corporated into the provisions of any agreement under this act.

15 Sec. 15. K.S.A. 72-4433 is hereby amended to read as follows: 72-
16 4433. The rate per hour of tuition for postsecondary students shall be
17 fixed by each board subject to approval of the state board at the com-
18 mencement of each school year for such school year ~~Such rate shall be~~
19 ~~an amount equal to 12½% of the local cost per enrollment hour for the~~
20 ~~school year ending June 30, 1982, and 15% of the local cost per enroll-~~
21 ~~ment hour for each school year thereafter. Different rates may be fixed~~
22 ~~by each board for different programs administered by such board. Each~~
23 ~~local board shall have the authority to fix tuition, fees and charges for~~
24 ~~rates per hour of tuition for postsecondary students who are not residents~~
25 ~~of the state.~~

26 New Sec. 16. All expenditures by the state board of regents from the
27 vocational education capital outlay aid account of the state general fund
28 for each grant of vocational education capital outlay aid shall be matched
29 by the area vocational technical school in an amount equal to 25% of the
30 grant.

31 Sec. 17. K.S.A. 44-710a and 72-4433 are hereby repealed.

32 Sec. 18. This act shall take effect and be in force from and after its
33 publication in the statute book.

34
35
36
37
38
39
40
41
42
43