

MINUTES OF THE House COMMITTEE ON Labor and Industry

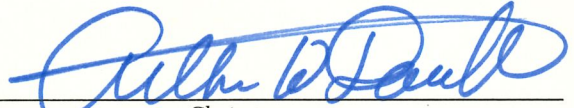
Held in Room 521-S, at the Statehouse at 9:30 a. m. ~~PM~~,
on February 8, 19 83.

All members were present except:

All members were present.

The next meeting of the Committee will be held at 9:30 a. m. ~~PM~~,
on February 9, 19 83.

These minutes of the meeting held on _____, 19____ were
considered, corrected and approved.


Chairman

The conferees appearing before the Committee were:

Mr. Arnold Berman, Department of Human Resources
Mr. Jim Wilson, Revisors Office
Dr. Harvey Ludwick, Department of Human Resources
Mr. Rob Hodges, Kansas Association of Commerce and Industry
Mr. Bill Abbott, Boeing Company in Wichita

Chairman Douville called the meeting to order at 9:30 a.m.

Chairman Douville called Dr. Ludwick to the speakers stand.
Dr. Ludwick gave testimony, attachment #1. A discussion
followed.

In regard to the last paragraph on page 2 of attachment 1 Mr.
Rob Hodges spoke to the committee. He stated that a year ago
in this committee it was decided that a study would be made
and it was never done. That was the reason for the last para-
graph. A discussion followed.

Chairman Douville called Mr. Arnold Berman to the speakers
stand. Mr. Berman stated that an error was made in the prepar-
ation of the tables that the Chairman had requested. The error
is as follows. The D.H.R. included a 20% surcharge for a 3rd
year. The tables are being reworked and will be available to
the committee first thing tomorrow. The new tables will show
benefit weeks instead of months. A discussion followed.

Mr. Jim Wilson answered some of the committee's questions, and
explained the new section 9 in H.B. 2221. A brief discussion followed.
A motion was made by Representative Jerry Friedeman to ratify
what was done by the Research Department. The motion was
seconded by Representative Edgar Moore. There was no objection.
A discussion followed, a vote was taken. The committee voted
in favor of the motion.

Representative Hensley requested that the committee should give
some consideration to the testimony and the recommendations that
were given by the advisory council. Representative Hensley
questioned whether the committee should consider either a new bill
or a substitute bill. Chairman Douville said the committee could
amend the current bill. Chairman Douville said the committee would
accept motions tomorrow in regard to amending H.B. 2221. A discussion
followed.

Chairman Douville then called Mr. Bill Abbott to the speakers stand.
Mr. Abbott stated that his group did find a problem with the 2 year
period in H.B. 2221, and the basic proposals are designed to get
us through the crisis we are now having and then let the statute
take care of the future years. A discussion followed.

CONTINUATION SHEET

Minutes of the House Committee on Labor and Industry, ~~10~~

February 8, 1983

Representative Darrel Webb requested that the advisor prepare amendments so the committee could look at something in writing. These are in regard to what the Security Advisory Council recommended. A discussion followed.

Chairman Douville adjourned the meeting at 10:13 a.m.

Guest List

2-8-83

Rob Hojor	Topeka	KACI
Bill Abbott	Wichita	Bosling
Brett Wilbur	Topeka	Die Ford
Harvey J. Sudwick	Topeka	DHR.
Arnold Bern	Topeka	DHR
Wayne Mauchel	"	Kansas AFL-CIO
Larry Helser	Wichita	"
Ralph M. Gee	Topeka	"
Jim Gregory	Wichita	Beck
Amy Carter	Topeka	Hansley
Sen. Bill Morris		
Jimmy Smith	Topeka	Budget
Tom Slatten	Topeka	ABC of KS

TESTIMONY OF
THE KANSAS DEPARTMENT OF HUMAN RESOURCES
BEFORE THE HOUSE LABOR AND INDUSTRY COMMITTEE
FEBRUARY 8, 1983

Mr. Chairman and members of the House Labor and Industry Committee, we appear before you today to respond to the contents of H.B. 2221 in light of the Employment Security Advisory Council's meeting that was held yesterday afternoon.

Perhaps again we should open by stating that the Department and the Employment Security Advisory Council have no intention of raising a single dollar more than is required to maintain the solvency of the Unemployment Compensation Trust Fund. We feel that the recommendation of the Employment Security Advisory Council strongly supports that statement.

I would now like to present their recommendations which were the unanimous opinion of the Council and which we firmly support.

There were basically five differences between the recommendations of the Employment Security Advisory Council and H.B. 2221. In a good faith effort to reconcile the differences and provide for a solution as soon as possible, discussion centered around sincere effort to agree with the present H.B. 2221.

However, after thorough discussion they felt that:

1. Two years was too much of a burden to place on both the employers and the employees. If we don't presently know what the condition of our economy will be in one year, we sure don't know the scenario for two years.
2. The negative balance employers have already been appropriately penalized under H.B. 2221. Under present law negative balance employers are required to pay up to a one percent surcharge on the maximum. Our present maximum is 4.3 percent, thus some would pay 4.4 percent, others 4.5 percent, etc., up to 5.3 percent.

Atch. 1

Under H.B. 2221 all negative balance employers would be placed at the 5.4 percent maximum rate. Add to this the 6,000 to 7,000 taxable wage base, the 20 percent surcharge and recessionary times it was felt by the Council and the Department that they were paying their fair share.

In closing the Council reiterated the fact that this was a short term solution to an emergency situation and in turn requested a study outline of a new plan for financing the Trust Fund to be presented by the Department to the Council within 30 days.