

MINUTES OF THE House COMMITTEE ON Labor and Industry

Held in Room 521-S, at the Statehouse at 9:30 a. m. ~~XXX~~,
on February 9, 1983.

All members were present except:

All members were present.

The next meeting of the Committee will be held at 9:30 a. m. ~~XXX~~,
on February 15, 1983.

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. Rob Hodges, Kansas Association of Commerce and Industry
Mr. Ralph McGee, representing Labor

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

The committee received 4 handouts. Attachment #1 is a Draft of Amendments, for consideration by the committee. Attachment #2 is Proposed Amendments to H.B. 2221, regarding the Advisory Council Recommendations as reported 2/7/83. Attachment #3 is Reports of Standing Committees. Attachment #4 are 2 tables with figures supplied by the Department of Human Resources.

The committee was asked to first look at Attachment #1, and the floor was opened to questions. A discussion followed.

The Chairman called Mr. Ralph McGee to speak. Mr. McGee said the the group he represents had come to a unanimous decision to support the decision of the Advisory Council.

Chairman Douville then called Mr. Rob Hodges to speak. Mr. Hodges said that the KACI agrees with most of the provisions of the advisory councils posture. A discussion followed.

Representative Friedeman made a motion that the committee use the draft of amendments (attachment #1) with a change on page 29 from 2% to .75%. The motion was seconded by Representative Nichols. A discussion followed.

Representative Hensley made a substitute motion to Representative Friedeman's motion that the amendment that the committee received this morning (attachment #2) be adopted by the committee amending H.B. 2221, to reflect the advisory council recommendations. This amendment would end this particular program in one year and would also eliminate the surcharge on negative employers. The motion was seconded by Representative Cribbs. A discussion followed. A vote was taken and the motion was not carried.

Back to Representative Friedeman's motion. Chairman Douville asked if there was any further discussion. Representative Darrell Webb made a motion that the committee accept the amendments in attachment #1, but change page 29 to reflect 1% instead of 2%. A discussion followed. Representative Darrell Webb withdrew his motion.

CONTINUATION SHEET

Minutes of the House Committee on Labor and Industry, ~~XXXX~~
February 9, 1983

The Chairman referred the committee back to Representative Friedeman's motion. A vote was taken on Representative Friedeman's motion. The motion was carried. Representatives Cribbs and Green voted no and asked that the minutes reflect their votes.

A discussion followed on H.B. 2221. Representative Darrell Webb made a motion to do away with the negative account surcharge up to 1%. The motion was seconded by Representative Green. A discussion followed. A vote was taken and Representative Darrell Webb's motion was carried.

It was moved by Representative David Webb that H.B. 2221 be passed favorably. Seconded by Representative Sutter. A discussion followed. The committee voted that H.B. 2221 be passed.

Chairman Douville adjourned the meeting at 10:25 a.m.

Guest List

2-9-83

Jim GREGORY	Boech	Wichita
Bono GRANT	KAEI	TOPEKA
Tony GonsALVES	UPI	TOPEKA
Rob Hodges	KSER	TOPEKA
DAVID TURNAS	Chamber	Wichita
Jim Armstrong 219	Glynn	Pittsburg
Colind. Reimer	Close-up Ks	Merde
Harry D. Helser	AFL-CIO	Wichita
Ralph Mc Gee	"	Ks. City
Bill Oltus	Boeing	Wichita
Bert Captwell	Gov. off.	Topeka
Tom Slatten	AGC	Topeka
Bill Morris	senate	
Johnny Smith	Budget	Osage
Archie E. Jensen	Top Underwriter	Wichita Ks
Tanell Haskins	Close-up Kansas	Topeka
Joe Peden	Close-up Kansas	Ulysses
Shelley Mackinnon	close-up Kansas	Ulysses
Libby Turner	Close-Up Kansas	Great Bend
Michael Tucker	Close-up-Kansas	Great Bend
KERRY WHITE	CLOSE-UP-KANSAS	GREAT BEND
Bryan Aydelotte	CLOSE-UP-Kansas	Great Bend
Charley Gowdy	Close-UP Kansas	Great Bend
Harvey S. Sudwisch	DHR.	Topeka
Arnold Boman	DHR	Topeka
Anthony Heats	Close-up Kansas	Fort Scott
Bryan Keith	Close-up Kansas	Fort Scott

For Consideration by House Committee
on Labor and Industry

(2-9-83)

0712 more than the maximum weekly benefit amount, it shall be
0713 reduced to the maximum weekly benefit amount; and

0714 (3) if the individual's determined weekly benefit amount is
0715 not a multiple of one dollar (~~\$1~~) \$1, it shall be raised *reduced* to
0716 the next higher *lower* multiple of one dollar (~~\$1~~) \$1.

0717 (c) *Maximum weekly benefit amount.* On July 1 of each year,
0718 the secretary shall determine the maximum weekly benefit
0719 amount by computing ~~sixty percent (60%)~~ 60% of the average
0720 weekly wages paid to employees in insured work during the
0721 previous calendar year and shall prior to that date announce the
0722 maximum weekly benefit amount so determined, by publication
0723 in at least one newspaper of general circulation in this state *the*
0724 *Kansas register, except that* ~~the maximum weekly benefit amount~~
0725 ~~for the twelve-month~~ ~~periods~~ *commencing on July 1, 1983, and*
0726 ~~July 1, 1984,~~ *shall not be more than the maximum weekly benefit*
0727 *rate for the twelve-month period commencing on July 1, 1982*

0728 Such computation shall be made by dividing the gross wages
0729 reported as paid for insured work during the previous calendar
0730 year by the product of the average of midmonth employment
0731 during such calendar year multiplied by ~~fifty-two (52)~~ 52. The
0732 maximum weekly benefit amount so determined and announced
0733 for the twelve-month period shall apply only to those claims filed
0734 in that period qualifying for maximum payment under the fore-
0735 going formula. All claims qualifying for payment at the maximum
0736 weekly benefit amount shall be paid at the maximum weekly
0737 benefit amount in effect when the benefit year to which the claim
0738 relates was first established, notwithstanding a change in ~~said~~ *the*
0739 *maximum benefit* amount for a subsequent twelve-month period.
0740 If the *computed* maximum weekly benefit amount is not a mul-
0741 tiple of one dollar (~~\$1~~) \$1, then ~~said~~ *the computed* maximum
0742 weekly benefit amount shall be ~~computed~~ *reduced* to the nearest
0743 *next lower* multiple of one dollar (~~\$1~~) \$1.

0744 (d) *Minimum weekly benefit amount.* The minimum weekly
0745 benefit amount payable to any individual shall be ~~twenty-five~~
0746 ~~percent (25%)~~ 25% of the maximum weekly benefit calculated in
0747 accordance with subsection (c) of ~~this section~~ and shall be an-
0748 nounced by the secretary in conjunction with the published

(1) Period

, and (2) if the annual surcharge for calendar year 1984 is assessed against employers under subsection (a) of section 4, the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1984, shall not be more than the maximum weekly benefit rate for the twelve-month period commencing on July 1, 1982

Attch. 1

1008 that portion of the pension, retirement or retired pay, annuity or
1009 other similar periodic payment that is directly attributable to the
1010 percentage of the contributions made to the plan by such indi-
1011 vidual; or (3) if the entire contributions to the plan were provided
1012 by such individual, or by the individual and an employer (or any
1013 person or organization) who is not a base period employer, no
1014 reduction in the weekly benefit amount payable to the individual
1015 for such week shall be made under this subsection (n); or (4)
1016 whatever portion of contributions to such plan were provided by
1017 the base period employer, if the services performed for the
1018 employer by such individual during the base period, or remun-
1019 eration received for the services, did not affect the individual's
1020 eligibility for, or increased the amount of, such pension, retire-
1021 ment or retired pay, annuity or other similar periodic payment, no
1022 reduction in the weekly benefit amount payable to the individual
1023 for such week shall be made under this subsection (n). The
1024 conditions specified in *clause* (4) of this subsection (n) shall not
1025 apply to payments made under the social security act or the
1026 railroad retirement act of 1974, or the corresponding provisions of
1027 prior law. Payments made under these acts shall be treated as
1028 otherwise provided in this subsection (n). If the reduced weekly
1029 benefit amount is not a multiple of \$1, it shall be ~~computed~~
1030 *reduced* to the next ~~higher~~ *lower* multiple of \$1.

1031 New Sec. 4. (a) (1) Each contributing employer, rated gov-
1032 ernmental employer and reimbursing employer shall pay an an-
1033 nual surcharge to the employment security fund for calendar year
1034 1983 in an amount equal to 20% of the total estimated amount of
1035 contributions, benefit cost payments and payments in lieu of
1036 contributions that such employer will be required to pay into the
1037 employment security fund for calendar year 1983 as determined
1038 by the secretary of human resources based on the best informa-
1039 tion and evidence available to the secretary at the time. The
1040 amount of such annual surcharge for calendar year 1983 shall be
1041 paid by each contributing employer, rated governmental em-
1042 ployee and reimbursing employer upon receipt of certification of
1043 the amount thereof by the secretary of human resources.

1044 (2) Each contributing employer, rated governmental em-

1045 ployer and reimbursing employer shall pay an annual surcharge
 1046 to the employment security fund for calendar year 1984 in an
 1047 amount equal to 20% of the total estimated amount of contribu-
 1048 tions, benefit cost payments and payments in lieu of contribu-
 1049 tions that such employer will be required to pay into the em-
 1050 ployment security fund for calendar year 1984 as determined for
 1051 and certified to each such employer by the secretary of human
 1052 resources on or after January, 1984, and based on the best
 1053 information and evidence available to the secretary at the time.

1054 (b) (1) At the end of each calendar quarter commencing after
 1055 the effective date of this act and occurring in calendar year 1983
 1056 or 1984, the secretary of human resources shall prepare and adopt
 1057 an estimate of the financial condition of the employment security
 1058 fund during the ensuing calendar quarter, based on the best
 1059 information and evidence available to the secretary at the time.
 1060 Prior to adoption of such estimate for a calendar quarter, the
 1061 secretary of human resources shall advise and consult thereon
 1062 with the state employment security advisory council under sub-
 1063 section (d) of K.S.A. 44-714 and amendments thereto. If the
 1064 estimate adopted by the secretary for a calendar quarter shows
 1065 that the balance of money in the employment security fund which
 1066 is available to pay benefits at the beginning of any month of such
 1067 calendar quarter will be less than \$35,000,000, the secretary shall
 1068 assess and collect a surcharge for that calendar quarter under this
 1069 subsection (b) from each contributing employer, rated govern-
 1070 mental employer and reimbursing employer. The total amount of
 1071 the surcharge assessed for a calendar quarter under this subsec-
 1072 tion (b) shall be fixed by the secretary of human resources in an
 1073 amount equal to the amount which is required to be paid into the
 1074 employment security fund so that the total of the estimated
 1075 ending balance in the employment security fund which is avail-
 1076 able to pay benefits at the end of that calendar quarter plus the
 1077 total amount of the surcharge assessed for that calendar quarter is
 1078 equal to \$35,000,000.

1079 (2) The amount of the surcharge assessed against each con-
 1080 tributing employer, rated governmental employer or reimbursing
 1081 employer for a calendar quarter under this subsection (b) shall be

Unless the balance of money in the
 employment security fund which is availab'
 to pay benefits on January 1, 1984, is
 equal to or more than an amount equal
 to 2% of total wages on that date
 as determined by the secretary of
 human resources on or before
 February 15, 1984. If such balance
 is determined to be equal to or more
 than such amount, no annual surcharge
 for calendar year 1984 shall be assessed
 against employers. If such balance is
 determined to be less than such
 amount each contributing employer,
 rated governmental employer and reimbursing
 employer shall pay an annual surcharge
 for calendar year 1984

February 15

0010 fixed by the secretary of human resources and shall be equal to
 0011 the amount which bears the same proportion to the total amount
 0012 assessed against all such employers for such calendar quarter
 0013 under this subsection (b) that the amount assessed against such
 0014 employer ~~under subsection (a) for the calendar year in which the~~
 0015 ~~calendar quarter occurs~~, bears to the total amount assessed
 0016 against all such employers ~~under subsection (a) for such calendar~~
 0017 ~~year~~. The secretary of human resources shall certify the amount of
 0018 the surcharge assessed against each contributing employer, rated
 0019 governmental employer or reimbursing employer for a calendar
 0020 quarter under this subsection (b) to such employer and such
 0021 employer shall pay such amount upon receipt of such certifica-
 0022 tion.

0023 (3) In accordance with this subsection (b), the secretary of
 0024 human resources may assess a separate surcharge under this
 0025 subsection (b) for each calendar quarter commencing after the
 0026 effective date of this act and occurring in calendar year 1983 or
 0027 1984.

0028 (c) This section shall be construed as part of the employment
 0029 security law. The provisions of this section shall expire on July 1,
 0030 1985.

0031 Sec. 5. K.S.A. 1982 Supp. 44-710a is hereby amended to read
 0032 as follows: 44-710a. (a) *Classification of employers by the secre-*
 0033 *tary.* The term "employer" as used in this section refers to
 0034 contributing employers. The secretary shall classify employers in
 0035 accordance with their actual experience in the payment of con-
 0036 tributions on their own behalf and with respect to benefits
 0037 charged against their accounts with a view of fixing such con-
 0038 tribution rates as will reflect such experience. If, as of the date
 0039 such classification of employers is made, the secretary finds that
 0040 any employing unit has failed to file any report required in
 0041 connection therewith, or has filed a report which the secretary
 0042 finds incorrect or insufficient, the secretary shall make an es-
 0043 timate of the information required from such employing unit on
 0044 the basis of the best evidence reasonably available to the secretary
 0045 at the time, and notify the employing unit thereof by mail ad-
 0046 dressed to its last-known address. Unless such employing unit

under the most recent annual surcharge

In any case where no annual surcharge has been assessed against an employer under subsection (a), the secretary of human resources shall determine the amount such employer would have been assessed under the appropriate annual surcharge under subsection (a) and such amount shall be used in determining the amount assessed such employer for a calendar quarter under this subsection (b).

(4) Each surcharge assessed under this section shall apply to employers which are under the employment security law on the first day of the fiscal period for which the surcharge is assessed.

2-9-83
#2

PROPOSED AMENDMENTS TO HB 2221

(RE: Advisory Council Recommendations
as reported 2-7-83)

0712 more than the maximum weekly benefit amount, it shall be
0713 reduced to the maximum weekly benefit amount; and

0714 (3) if the individual's determined weekly benefit amount is
0715 not a multiple of ~~one dollar (\$1)~~ \$1, it shall be ~~raised~~ reduced to
0716 the next ~~higher~~ lower multiple of ~~one dollar (\$1)~~ \$1.

0717 (c) *Maximum weekly benefit amount.* On July 1 of each year,
0718 the secretary shall determine the maximum weekly benefit
0719 amount by computing ~~sixty percent (60%)~~ 60% of the average
0720 weekly wages paid to employees in insured work during the
0721 previous calendar year and shall prior to that date announce the
0722 maximum weekly benefit amount so determined, by publication
0723 in at least one newspaper of general circulation in this state the
0724 *Kansas register, except that the maximum weekly benefit amount*
0725 *for the twelve-month ~~periods~~ commencing on July 1, 1983, ~~and~~*
0726 *~~July 1, 1984,~~ shall not be more than the maximum weekly benefit*
0727 *rate for the twelve-month period commencing on July 1, 1982.*

period

0728 Such computation shall be made by dividing the gross wages
0729 reported as paid for insured work during the previous calendar
0730 year by the product of the average of midmonth employment
0731 during such calendar year multiplied by ~~fifty-two (52)~~ 52. The
0732 maximum weekly benefit amount so determined and announced
0733 for the twelve-month period shall apply only to those claims filed
0734 in that period qualifying for maximum payment under the fore-
0735 going formula. All claims qualifying for payment at the maximum
0736 weekly benefit amount shall be paid at the maximum weekly
0737 benefit amount in effect when the benefit year to which the claim
0738 relates was first established, notwithstanding a change in ~~said the~~
0739 *maximum benefit* amount for a subsequent twelve-month period.
0740 If the *computed* maximum weekly benefit amount is not a mul-
0741 tiple of ~~one dollar (\$1)~~ \$1, then ~~said the computed~~ maximum
0742 weekly benefit amount shall be ~~computed~~ reduced to the nearest
0743 next lower multiple of ~~one dollar (\$1)~~ \$1.

0744 (d) *Minimum weekly benefit amount.* The minimum weekly
0745 benefit amount payable to any individual shall be ~~twenty-five~~
0746 ~~percent (25%)~~ 25% of the maximum weekly benefit calculated in
0747 accordance with subsection (c) ~~of this section~~ and shall be an-
0748 nounced by the secretary in conjunction with the published

Att. b. 2

1008 that portion of the pension, retirement or retired pay, annuity or
1009 other similar periodic payment that is directly attributable to the
1010 percentage of the contributions made to the plan by such indi-
1011 vidual; or (3) if the entire contributions to the plan were provided
1012 by such individual, or by the individual and an employer (or any
1013 person or organization) who is not a base period employer, no
1014 reduction in the weekly benefit amount payable to the individual
1015 for such week shall be made under this subsection (n); or (4)
1016 whatever portion of contributions to such plan were provided by
1017 the base period employer, if the services performed for the
1018 employer by such individual during the base period, or remun-
1019 eration received for the services, did not affect the individual's
1020 eligibility for, or increased the amount of, such pension, retire-
1021 ment or retired pay, annuity or other similar periodic payment, no
1022 reduction in the weekly benefit amount payable to the individual
1023 for such week shall be made under this subsection (n). The
1024 conditions specified in *clause* (4) of this subsection (n) shall not
1025 apply to payments made under the social security act or the
1026 railroad retirement act of 1974, or the corresponding provisions of
1027 prior law. Payments made under these acts shall be treated as
1028 otherwise provided in this subsection (n). If the reduced weekly
1029 benefit amount is not a multiple of \$1, it shall be ~~computed~~
1030 *reduced* to the next ~~higher~~ *lower* multiple of \$1.

1031 New Sec. 4. (a) ~~(1)~~ Each contributing employer, rated gov-
1032 ernmental employer and reimbursing employer shall pay an an-
1033 nual surcharge to the employment security fund for calendar year
1034 1983 in an amount equal to 20% of the total estimated amount of
1035 contributions, benefit cost payments and payments in lieu of
1036 contributions that such employer will be required to pay into the
1037 employment security fund for calendar year 1983 as determined
1038 by the secretary of human resources based on the best informa-
1039 tion and evidence available to the secretary at the time. The
1040 amount of such annual surcharge for calendar year 1983 shall be
1041 paid by each contributing employer, rated governmental em-
1042 ployee and reimbursing employer upon receipt of certification of
1043 the amount thereof by the secretary of human resources.

1044 ~~[(2) Each contributing employer, rated governmental em-]~~

1045 [employer and reimbursing employer shall pay an annual surcharge
 1046 to the employment security fund for calendar year 1984 in an
 1047 amount equal to 20% of the total estimated amount of contribu-
 1048 tions, benefit cost payments and payments in lieu of contribu-
 1049 tions that such employer will be required to pay into the em-
 1050 ployment security fund for calendar year 1984 as determined for
 1051 and certified to each such employer by the secretary of human
 1052 resources on or after January 1, 1984, and based on the best
 1053 information and evidence available to the secretary at the time.]

1054 (b) (1) At the end of each calendar quarter commencing after
 1055 the effective date of this act and [occurring in calendar year 1983]

ending prior to July 1,

1056 [or] 1984, the secretary of human resources shall prepare and adopt
 1057 an estimate of the financial condition of the employment security
 1058 fund during the ensuing calendar quarter, based on the best
 1059 information and evidence available to the secretary at the time.
 1060 Prior to adoption of such estimate for a calendar quarter, the
 1061 secretary of human resources shall advise and consult thereon
 1062 with the state employment security advisory council under sub-
 1063 section (d) of K.S.A. 44-714 and amendments thereto. If the
 1064 estimate adopted by the secretary for a calendar quarter [shows
 1065 that the balance of money in the employment security fund which
 1066 is available to pay benefits at the beginning of any month of such
 1067 calendar quarter will be less than \$35,000,000, the secretary shall
 1068 assess and collect a surcharge for that calendar quarter under this
 1069 subsection (b) from each contributing employer, rated govern-
 1070 mental employer and reimbursing employer. The total amount of
 1071 the surcharge assessed for a calendar quarter under this subsec-
 1072 tion (b) shall be fixed by the secretary of human resources in an
 1073 amount equal to the amount which is required to be paid into the
 1074 employment security fund so that the total of the estimated
 1075 ending balance in the employment security fund which is avail-
 1076 able to pay benefits at the end of that calendar quarter plus the
 1077 total amount of the surcharge assessed for that calendar quarter is
 1078 equal to \$35,000,000.

ending prior to July 1, 1984,

1079 (2) The amount of the surcharge assessed against each con-
 1080 tributing employer, rated governmental employer or reimbursing
 1081 employer for a calendar quarter under this subsection (b) shall be

0010 fixed by the secretary of human resources and shall be equal to
 0011 the amount which bears the same proportion to the total amount
 0012 assessed against all such employers for such calendar quarter
 0013 under this subsection (b) that the amount assessed against such
 0014 employer under subsection (a) ~~for the calendar year in which the~~
 0015 ~~calendar quarter occurs~~, bears to the total amount assessed
 0016 against all such employers under subsection (a) ~~for such calendar~~
 0017 ~~year~~. The secretary of human resources shall certify the amount of
 0018 the surcharge assessed against each contributing employer, rated
 0019 governmental employer or reimbursing employer for a calendar
 0020 quarter under this subsection (b) to such employer and such
 0021 employer shall pay such amount upon receipt of such certifica-
 0022 tion.

0023 (3) In accordance with this subsection (b), the secretary of
 0024 human resources may assess a separate surcharge under this
 0025 subsection (b) for each calendar quarter commencing after the
 0026 effective date of this act and ~~occurring in calendar year 1983 or~~
 0027 1984.

0028 (c) This section shall be construed as part of the employment
 0029 security law. The provisions of this section shall expire on July 1,
 0030 ~~1985~~.

0031 Sec. 5. K.S.A. 1982 Supp. 44-710a is hereby amended to read
 0032 as follows: 44-710a. (a) *Classification of employers by the secre-*
 0033 *tary.* The term "employer" as used in this section refers to
 0034 contributing employers. The secretary shall classify employers in
 0035 accordance with their actual experience in the payment of con-
 0036 tributions on their own behalf and with respect to benefits
 0037 charged against their accounts with a view of fixing such con-
 0038 tribution rates as will reflect such experience. If, as of the date
 0039 such classification of employers is made, the secretary finds that
 0040 any employing unit has failed to file any report required in
 0041 connection therewith, or has filed a report which the secretary
 0042 finds incorrect or insufficient, the secretary shall make an es-
 0043 timate of the information required from such employing unit on
 0044 the basis of the best evidence reasonably available to the secretary
 0045 at the time, and notify the employing unit thereof by mail ad-
 0046 dressed to its last-known address. Unless such employing unit

ending prior to July 1,

1984

0158 negative account balance employer, shall be assigned an experi-
 0159 ence factor designated under column C of schedule I in accord-
 0160 ance with the rate group to which the employer is assigned on the
 0161 basis of the employer's reserve ratio and taxable payroll. If an
 0162 employer's taxable payroll falls into more than one rate group the
 0163 employer shall be assigned the experience factor of the lower
 0164 numbered rate group. If one or more employers have reserve
 0165 ratios identical to that of the last employer included in the next
 0166 lower numbered rate group, all such employers shall be assigned
 0167 the experience factor designated to such last employer, notwith-
 0168 standing the position of their taxable payroll in column B of
 0169 schedule I.

SCHEDULE I — Eligible Employers

0170	Column A	Column B	Column C
0171	Rate	Cumulative	Experience factor
0172	group	taxable payroll	(Ratio to total wages)
0180	1	Less than 4.76%	.025%
0183	2	4.76% but less than 9.52	.1
0186	3	9.52 but less than 14.28	.2
0189	4	14.28 but less than 19.04	.3
0192	5	19.04 but less than 23.80	.4
0195	6	23.80 but less than 28.56	.5
0198	7	28.56 but less than 33.32	.6
0201	8	33.32 but less than 38.08	.7
0204	9	38.08 but less than 42.84	.8
0207	10	42.84 but less than 47.60	.9
0210	11	47.60 but less than 52.36	1.0
0213	12	52.36 but less than 57.12	1.1
0216	13	57.12 but less than 61.88	1.2
0219	14	61.88 but less than 66.64	1.3
0222	15	66.64 but less than 71.40	1.4
0225	16	71.40 but less than 76.16	1.5
0228	17	76.16 but less than 80.92	1.6
0231	18	80.92 but less than 85.68	1.7
0234	19	85.68 but less than 90.44	1.8
0237	20	90.44 but less than 95.20	1.9
0240	21	95.20 and over	2.0

0243 ~~(C)~~ (E) Negative account balance employers shall, in addi-
 0244 tion to paying the rates provided for in subsection (a)(2)(A) of this
 0245 section, pay a surcharge based on the size of the employer's
 0246 negative reserve ratio, the calculation which is provided for in
 0247 subsection (a)(2) of this section. The amount of the surcharge
 0248 shall be determined from Column B of Schedule II of this
 0249 section. Contribution payments made pursuant to this subsection
 0250 ~~(a)(2)(C)~~ (a)(2)(E) shall be credited to the appropriate account of
 0251 such negative account balance employer.]

~~SCHEDULE II - Surcharge on Negative Accounts~~

Column A Negative Reserve Ratio	Column B Surcharge as a percent of taxable wages
0252 Less than 2.0%	.10%
0254 2.0% but less than 4.0	.20
0256 4.0 but less than 6.0	.30
0258 6.0 but less than 8.0	.40
0261 8.0 but less than 10.0	.50
0263 10.0 but less than 12.0	.60
0265 12.0 but less than 14.0	.70
0267 14.0 but less than 16.0	.80
0269 16.0 but less than 18.0	.90
0271 18.0 and over	1.00

0279 (3) *Planned yield.* (A) The average required yield shall be
 0280 determined from schedule ~~III~~ of this section, and the planned
 0281 yield on total wages in column B of schedule ~~III~~ shall be deter-
 0282 mined by the reserve fund ratio in column A of schedule ~~III~~. The
 0283 reserve fund ratio shall be determined by dividing total assets in
 0284 the employment security fund provided for in subsection (a) of
 0285 K.S.A. 44-712, excluding all moneys credited to the account of
 0286 this state pursuant to section 903 of the social security act, as
 0287 amended, which have been appropriated by the state legislature,
 0288 whether or not withdrawn from the trust fund, and excluding
 0289 contributions not yet paid on July 31 by total payrolls for con-
 0290 tributing employers for the preceding fiscal year *which* ended
 0291 June 30.

~~II~~

SCHEDULE ~~III~~ - Fund Control
Ratios to Total Wages

Column A Reserve Fund Ratio	Column B Planned Yield
0292 5.0% and over	0.30%
0293 4.5 but less than 5.0%	.50
0294 4.0 but less than 4.5	.70
0296 3.5 but less than 4.0	.80
0308 3.0 but less than 3.5	.90
0300 2.5 but less than 3.0	1.00
0302 2.0 but less than 2.5	1.10
0304 1.5 but less than 2.0	1.30
0306 Less than 1.5	1.50
0308 5.00% and over	0.40%
0310 4.75 but less than 5.00%	.50
0312 4.50 but less than 4.75	.60
0314 4.25 but less than 4.50	.70
0316 4.00 but less than 4.25	.80
0318 3.75 but less than 4.00	.85
0320 3.50 but less than 3.75	.90
0322 3.25 but less than 3.50	.95
0324 3.00 but less than 3.25	1.00
0326 2.75 but less than 3.00	1.05

~~III~~

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on Labor and Industry

Recommends that House Bill No. 2221

"AN ACT concerning the employment security law; relating to benefits and contributions; prescribing certain surcharges on employers; amending K.S.A. 44-703, 44-704, 44-711, 44-714 and 44-717 and K.S.A. 1982 Supp. 44-706 and 44-710a and repealing the existing sections."

Be amended:

On page 20, in line 724, preceding "the" by inserting "(1)"; in line 725, by striking "periods" and inserting in lieu thereof "period"; also in line 725, by striking "and"; in line 726, by striking "July 1, 1984,"; in line 727, preceding the period, by inserting the following: ", and (2) if the annual surcharge for calendar year 1984 is assessed against employers under subsection (a) of section 4, the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1984, shall not be more than the maximum weekly benefit rate for the twelve-month period commencing on July 1, 1982";

On page 29, in line 1046, after "1984" by inserting the following: "unless the balance of money in the employment security fund which is available to pay benefits on January 1, 1984, is equal to or more than an amount equal to .75% of total wages, as defined by paragraph (4) of subsection (o) of K.S.A. 44-703 and amendments thereto, on that date as determined by the secretary of human resources on or before February 15, 1984. If such balance is determined to be equal to or more than such amount, no annual surcharge for calendar year 1984 shall be assessed against employers. If such balance is determined to be less than such amount each contributing employer, rated governmental employer and reimbursing employer shall pay an annual surcharge for calendar year 1984"; in line 1052, by

striking "January 1" and inserting in lieu thereof "February 15";

On page 30, in line 14, after "employer" by inserting "under the most recent annual surcharge"; also in line 14, by striking all after "(a)"; in line 15, by striking "calendar quarter occurs"; in line 16, after "employers" by inserting "under the most recent annual surcharge"; also in lines 16 and 17, by striking "for such calendar year"; in line 22, following the period, by inserting the following: "In any case where no annual surcharge has been assessed against an employer under subsection (a), the secretary of human resources shall determine the amount such employer would have been assessed under the appropriate annual surcharge under subsection (a) and such amount shall be used in determining the amount assessed such employer for a calendar quarter under this subsection (b)."; following line 27, by inserting the following:

"(c) Each surcharge assessed under this section shall apply to employers which are under the employment security law on the first day of the fiscal period for which the surcharge is assessed.";

Also on page 30, in line 28, by striking "(c)" and inserting in lieu thereof "(d)";

On page 34, by striking all in lines 243 to 251, inclusive;

On page 35, by striking all in lines 252 to 277, inclusive; in line 280, by striking "III" and inserting in lieu thereof "II"; in line 281, by striking "III" and inserting in lieu thereof "II"; in line 282, by striking "III" and inserting in lieu thereof "II"; in line 292, by striking "III" and inserting in lieu thereof "II";

And the bill be passed as amended.

Chairperson

Table 1
 Estimated Weeks Claimed, Payments, Income,
 and Balance of the Reserve Fund
 Moderate Rate 1/

2-9-83 #4

2/8/83

Year	Month	Weeks Claimed	Payments (000's)	Income (000's)	Balance (000's)
1983	January.....	190,000	20,900	3,800	117,700
	February.....	200,000	22,000	10,400	106,100
	March.....	212,000	23,300		82,800
	April.....	204,000	22,400	81,500	141,900
	May.....	191,000	21,000	2,800	123,700
	June.....	220,000	24,200		99,500
	July.....	209,000	23,000	44,100	120,600
	August.....	197,000	21,700	3,300	102,200
	September.....	214,000	23,500		78,700
	October.....	197,000	21,700	24,000	81,000
	November.....	185,000	20,300	2,700	63,400
	December.....	223,000	24,500		38,900
1984	January.....	211,000	23,200	18,500	34,200
	February.....	222,000	24,400	1,600	11,400
	March.....	235,000	25,800		-14,400
	April.....	225,000	24,800	105,900	66,700
	May.....	211,000	23,200		43,500
	June.....	238,000	26,200		17,300
	July.....	202,000	22,200	57,300	52,400
	August.....	191,000	21,000	1,200	32,600
	September.....	206,000	22,700		9,900
	October.....	191,000	21,000	31,200	20,100
	November.....	178,000	19,600	900	1,400
	December.....	215,000	23,700		-22,300
1985	January.....	204,000	22,400	24,000	-20,700
	February.....	215,000	23,600		-44,300
	March.....	226,000	24,900		-69,200
	April.....	217,000	23,900	100,800	7,700
	May.....	204,000	22,400		-14,700
	June.....	230,000	25,300		-40,000

1/ All estimates are predicted on the following assumptions and Legislative changes.

1. Fiscal year 1983 unemployment rate of 6.1 per cent.
 Fiscal year 1984 unemployment rate of 5.8 per cent.
 Fiscal year 1985 unemployment rate of 5.6 per cent.
2. Annual growth in total wages of 7.0 per cent.
3. Increase in taxable wage base from \$6,000 to \$7,000.
4. Increase of the maximum tax rate to 5.4 per cent.
5. Retain schedule II which places a surcharge on negative accounts with a minimum tax rate of 5.5 per cent.
6. Change size-of-fund control schedule I.
7. Add a 20 per cent surcharge on the amount of contributions by all employers.
8. Cancel any increase in the maximum weekly benefit amount through fiscal year 1985.
9. Round individual benefit amounts "down" to the next lowest multiple of \$1.00.
10. New employers pay at an average rate for their respective industry division, but in no case less than 2.0 per cent.

Atch. 4

Table 2
 Estimated Weeks Claimed, Payments, Income,
 and Balance of the Reserve Fund
 Most Favorable Rate 1/

2/8/83

Year	Month	Weeks Claimed	Payments (000's)	Income (000's)	Balance (000's)
1983	January.....	190,000	20,900	3,800	117,700
	February.....	200,000	22,000	10,400	106,100
	March.....	212,000	23,300		79,800
	April.....	173,000	19,000	81,500	142,300
	May.....	163,000	17,900	2,800	127,200
	June.....	187,000	20,600		106,600
	July.....	175,000	19,300	44,100	131,400
	August.....	167,000	18,400	3,400	116,400
	September.....	180,000	19,800		96,600
	October.....	164,000	18,000	24,000	102,600
	November.....	151,000	16,600	3,200	82,200
	December.....	182,000	20,000		69,200
1984	January.....	172,000	18,900	18,500	68,800
	February.....	181,000	19,900	2,500	51,400
	March.....	192,000	21,100		30,300
	April.....	156,000	17,200	105,900	119,000
	May.....	147,000	16,200	1,500	104,300
	June.....	169,000	18,600		85,700
	July.....	168,000	18,500	57,300	124,500
	August.....	160,000	17,600	2,900	109,800
	September.....	173,000	19,000		90,800
	October.....	156,000	17,200	31,200	104,800
	November.....	145,000	15,900	3,100	92,000
	December.....	175,000	19,200		72,800
1985	January.....	165,000	18,100	24,000	78,700
	February.....	174,000	19,100	2,600	62,200
	March.....	184,000	20,200		42,000
	April.....	150,000	16,500	94,500	120,000
	May.....	141,000	15,500	1,800	106,300
	June.....	162,000	17,800		88,500

1/ All estimates are predicted on the following assumptions and Legislative changes.

1. Fiscal year 1983 unemployment rate of 5.9 per cent.
 Fiscal year 1984 unemployment rate of 4.8 per cent.
 Fiscal year 1985 unemployment rate of 4.6 per cent.
2. Annual growth in total wages of 7.0 per cent.
3. Increase in taxable wage base from \$6,000 to \$7,000.
4. Increase of the maximum tax rate to 5.4 per cent.
5. Retain schedule II which places a surcharge on negative accounts with a minimum tax rate of 5.5 per cent.
6. Change size-of-fund control schedule I.
7. Add a 20 per cent surcharge on the amount of contributions by all employers.
8. Cancel any increase in the maximum weekly benefit amount through fiscal year 1985.
9. Round individual benefit amounts "down" to the next lowest multiple of \$1.00.
10. New employers pay at an average rate for their respective industry division, but in no case less than 2.0 per cent.