

MINUTES OF THE HOUSE COMMITTEE ON LABOR AND INDUSTRY

The meeting was called to order by Vice-Chairman Lawrence Wilbert at
Chairperson

9:15 a.m./~~p.m.~~ on January 27, 1984 in room 526-S of the Capitol.

All members were present except:

Chairman Arthur Douville

Committee staff present:

All present

Conferees appearing before the committee:

Steve Goodman, Dept. of Human Resources
Rob Hodges, KACI
Wayne Maichel, KS AFL-CIO

Vice-Chairman Wilbert called the meeting to order. Representative Darrel Webb handed out to the committee a proposed amendment to H.B. 2629, attachment #1. Representative Webb made a motion that the committee accept the amendment. Representative Cribbs seconded the motion. A discussion followed. Steve Goodman was asked to make some comments on the amendment. He said that the Department of Human Resources has no position on the amendment at this time. Rob Hodges and Wayne Maichel, who were also members of the advisory council, were also asked to comment on the amendment. Both said that because of a lack of information that they too had no position on the amendment.

Representative Friedeman made a substitute motion to report H.B. 2629 be passed as is. Representative Nichols seconded the motion. The committee voted H.B. 2629 be passed.

Representative Wilbert adjourned the meeting at 9:40 a.m.

Labor + Industry

1-27-84

Visitors

Name	Representing
Steve Goodman	Dept. Human Resources
Paul Bicknell	" " "
BOB LUEKER	" " "
Bill Layes	" " "
PAT SCHAFER	BUDGET
Harry Williford	Boeing Military AIRPLANE Co.
JANET STUBBS	HBAK
DAN MORGAN	AGC of KS
MARSHA HUTCHISON	BEECH AIRCRAFT - WICHITA
Bill ABBOTT	Boeing
Rob Hodges	KAC

(a)

K.S.A. 44-703(a)(2)

(2) "Average annual payroll" means the average of the annual payrolls of any employer for the last ~~three~~ five calendar years immediately preceding the computation date as hereinafter defined if the employer has been continuously subject to contributions during those ~~three~~ five calendar years and has paid some wages for employment during each of such years. In determining contribution rates for the calendar year, if an employer has not been continuously subject to contribution for the ~~three~~ five calendar years immediately preceding the computation date but has paid wages subject to contributions during only the two, three or four calendar years immediately preceding the computation date, such employer's "average annual payroll" shall be the average of the payrolls for those two, three or four calendar years.

Atch. 1

The Honorable Arthur W. Douville, Chairperson
Committee on Labor and Industry
House of Representatives
Third Floor, Statehouse

Dear Representative Douville: ,

SUBJECT: Fiscal Note for House Bill No. 2629 by Special
Committee on Labor and Industry

In accordance with K.S.A. 75-3715a, the following fiscal note concerning House Bill No. 2629 is respectfully submitted to your committee.

Provisions of House Bill No. 2629 make two major changes to the Kansas Employment Security Law. The first modification is an increase in the taxable wage base from \$7,000 to \$8,000 and the use of estimated taxable wages at the new wage base in the computation of tax rates. The Department of Human Resources estimates that this change will result in no additional revenue but will shift the tax burden slightly among various employers. The administrative costs of redetermining the contribution rates for contributing employers for calendar year 1984 and notifying these employers of their new rate will be approximately \$26,400 in FY 1984.

The second major change is a limit of \$175 on the maximum weekly benefit amount for the 12-month period commencing July 1, 1984 and the 12-month period commencing July 1, 1985. The Department of Human Resources estimates that this change will reduce expenditures from the Employment Security Fund in the amounts of \$6 million in FY 1985 and \$12 million in FY 1986. These estimates are based on an average annual insured unemployment rate of 3.1 percent and annual growths in covered employment and wages of 1.5 percent and 6.9 percent respectively.

The Governor's budget recommendation does not assume the above changes in the Employment Security Law. If House Bill No. 2629 is passed, the governor's budget recommendation could be changed to reflect an increased expenditure of \$26,400 from special revenue funds in FY 1984 and a reduction of expenditures from special revenue funds in FY 1985 in the amount of \$6,000,000.



Pat Schafer
Senior Budget Analyst
For the Director of the Budget

PS:dj