

Approved Arthur Douville 4-22-86  
Date

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Arthur Douville at  
Chairperson

9:00 a.m. on February 19, 1986 in room 526-S of the Capitol.

All members were present except:

All members were present.

Committee staff present:

All present.

Conferees appearing before the committee:

Regarding H.B. 2761, Representative O'Neal said he had a few amendments on the bill. The first amendment was on page 7, line 232, striking the word "and" and inserting the word "or". See attachment #1. Representative O'Neal made a motion to make this change. The motion was seconded by Representative Nichols. A discussion followed. A vote was taken and the motion passed unanimously.

Representative O'Neal made a motion to amend H.B. 2761 on page 3, line 0098, by striking the words "but which is not" and inserting the words "or which is in excess of \$47 if 25% of such individual's determined weekly benefit amount is". See attachment #2. The motion was seconded by Representative Nichols. A discussion followed. A vote was taken and the motion passed.

Representative O'Neal made a motion to amend H.B. 2761 by inserting the following material in the section 4 (amending K.S.A. 44-714 and regarding confidentiality of information) which was previously adopted by the committee, on page 5 of that section after the new language: "Nothing in this subsection (f) shall be construed to prohibit disclosure of any information obtained under the employment security law, including hearing transcripts, upon request of either of the parties, for the purpose of administering or adjudicating a claim for benefits under the provisions of any other state program, except that any party receiving such information shall be prohibited from further disclosure and shall be subject to the same duty of confidentiality otherwise imposed by this subsection (f)." See attachment number 3. Jim Wilson of the Revisors Office said that they would also add to attachment #3 an additional phrase essentially saying "The individuals receiving such information not only would have the same duty of confidentiality, but if indeed breeched that duty would be subject to the same civil or criminal penalties imposed by law for violation of that duty". The Chairman then called for discussion. There was none. A vote was taken and the motion passed unanimously.

Representative Acheson said that since he had voted on the prevailing side of Representative DeBauns motion of the previous day, which was voted down, that he was making a motion to reconsider Representative DeBauns motion. The motion was seconded by Representative Nichols. A discussion followed. A vote was taken and the motion passed. Representative DeBaun renewed his motion to amend H.B. 2761 by striking on page 19, lines 63, 64, 65, 66, 67, 68, through the work "purposes" on line 69. The motion was seconded by Representative Nichols.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Labor and Industry  
room 526-S, Statehouse, at 9:00 a.m./~~p.m.~~ on February 19, 1986

A discussion followed. It was recognized that the DHR should have some latitude with respect to certain payments and the committee would come up with a bill that would take care of the problem. Secretary Wolgast distributed to the committee members a handout with information regarding the Special Employment Security Fund. See attachment number 4. The vote was taken and the amendment passed.

A discussion followed on the effective date of the bill. Representative Patrick made a motion that the bill take effect on July 1, 1986. The motion was seconded by Representative Acheson. A discussion followed. The vote was taken and the motion carried.

Representative Nichols made a motion to pass out H.B. 2761, as amended, favorably. The motion was seconded by Representative Acheson. There was no discussion. The vote was taken and the motion carried.

Representative Hensley made a motion to have the committee prepare a bill that would deal with the section that was stricken by Representative DeBauns amendment. The motion was seconded by Representative Miller. There was a short discussion followed by the vote and the motion passed.

The minutes of the committee meetings from January 21, 1986 through February 13, 1986 were passed out to the committee members to be perused and voted on at the next meeting.

The meeting was adjourned at 9:40 a.m.

HOUSE COMMITTEE ON  
LABOR AND INDUSTRY

Guest List

Date 2-19-86

Name	City	Representing
Larry E. Wolgast	Topeka	DHR
A. J. Kotich	"	"
Rob Hodges		KCCI
Ron Gaches		Boeing
Wayne Maichel		KS AFL-CIO



Proposed Amendment  
For Consideration by House Labor and Industry  
2-18-86

0232 evincing extreme, willful ~~and~~ wanton disregard of an employer's  
0233 interest or a carelessness or negligence of such degree or recur-  
0234 rence as to show an intentional or substantial disregard of the  
0235 employer's interest misconduct as defined by this subsection (b).

0236 (2) An individual shall not be disqualified under this sub-  
0237 section (b) if the individual is discharged under the following  
0238 circumstances:

0239 (A) The employer discharged the individual after learning  
0240 the individual was seeking other work or when the individual  
0241 gave notice of future intent to quit;

0242 (B) the individual was making a good-faith effort to do the  
0243 assigned work but was discharged due to: (i) Inefficiency, (ii)  
0244 unsatisfactory performance due to inability, incapacity or lack  
0245 of training or experience, (iii) isolated instances of ordinary  
0246 negligence or inadvertence, (iv) good-faith errors in judgment or  
0247 discretion, or (v) unsatisfactory work or conduct due to circum-  
0248 stances beyond the individual's control; or

0249 (C) the individual's refusal to perform work in excess of the  
0250 contract of hire.

0251 (c) If the individual has failed, without good cause, to either  
0252 apply for suitable work when so directed by the employment  
0253 office of the secretary of human resources, or to accept suitable  
0254 work when offered to the individual by the employment office,  
0255 the secretary of human resources, or an employer, such disqual-  
0256 ification shall begin with the week in which such failure oc-  
0257 curred and for the 10 consecutive weeks which immediately  
0258 follow such week and shall forfeit benefit entitlement equal to 10  
0259 times the individual's determined weekly benefit amount but  
0260 not less than an amount equal to shall continue until the indi-  
0261 vidual becomes reemployed and has had earnings from insured  
0262 work of at least three times such individual's determined  
0263 weekly benefit amount. In determining whether or not any work  
0264 is suitable for an individual, the secretary of human resources, or  
0265 a person or persons designated by the secretary, shall consider  
0266 the degree of risk involved to health, safety and morals, physical  
0267 fitness and prior training, experience and prior earnings, length  
0268 of unemployment and prospects for securing local work in the

OR

Att #1  
2-19-86

Attch. 1  
H. L+I  
2/19/86

2-18-86

0084 month period beginning July 1 of each year shall apply only to  
0085 those claims which establish a benefit year filed within that  
0086 twelve-month period and shall apply through the benefit year of  
0087 such claims notwithstanding a change in such amount in a  
0088 subsequent twelve-month period. If the minimum weekly ben-  
0089 efit amount is not a multiple of \$1 it shall be reduced to the next  
0090 lower multiple of \$1.

0091 (e) *Weekly benefit payable.* Each eligible individual who is  
0092 unemployed with respect to any week ~~shall~~, except as to final  
0093 payment, *shall* be paid with respect to such week a benefit in an  
0094 amount equal to such individual's determined weekly benefit  
0095 amount, less that part of the wage, if any, payable to such  
0096 individual with respect to such week which is in excess of ~~\$8~~ the  
0097 amount which is equal to 25% of such individual's determined  
0098 weekly benefit amount ~~but which is not~~ more than \$47 and if the  
0099 resulting amount is not a multiple of \$1, it shall be reduced to the  
0100 next lower multiple of \$1. For the purpose of this section,  
0101 remuneration received for services performed on a public as-  
0102 sistance work project shall not be construed as wages.

or which is in excess of \$47 if 25% of such individual's determined weekly benefit amount is

0103 (f) *Duration of benefits.* Any otherwise eligible individual  
0104 shall be entitled during any benefit year to a total amount of  
0105 benefits equal to whichever is the lesser of 26 times such  
0106 individual's weekly benefit amount, or 1/3 of such individual's  
0107 wages for insured work paid during such individual's base  
0108 period. Such total amount of benefits, if not a multiple of \$1, shall  
0109 be reduced to the next lower multiple of \$1.

0110 (g) For the purposes of this section, wages shall be counted  
0111 as "wages for insured work" for benefit purposes with respect to  
0112 any benefit year only if such benefit year begins subsequent to  
0113 the date on which the employing unit by whom such wages were  
0114 paid has satisfied the conditions of subsection (h) of K.S.A.  
0115 44-703 and amendments thereto with respect to becoming an  
0116 employer.

0117 Sec. 2. On July 1, 1986, K.S.A. 1985 Supp. 44-706 is hereby  
0118 amended to read as follows: 44-706. An individual shall be  
0119 disqualified for benefits:

0120 (a) If the individual left work voluntarily without good cause

Att. 2  
2-19-86

Attch. 2  
H. H. I  
2/19/86

PROPOSED AMENDMENTS TO H.B. NO. 2761

For Consideration by House Labor and Industry

Insert the following material in the section 4 (amending K.S.A. 44-714 and regarding confidentiality of information) which was previously adopted by the committee, on page 5 of that section after the new language:

"Nothing in this subsection (f) shall be construed to prohibit disclosure of any information obtained under the employment security law, including hearing transcripts, upon request of either of the parties, for the purpose of administering or adjudicating a claim for benefits under the provisions of any other state program, except that any party receiving such information shall be prohibited from further disclosure and shall be subject to the same duty of confidentiality otherwise imposed by this subsection (f)."

Att. #3  
H. L + I  
2-19-86



## MEMORANDUM

DATE: February 18, 1986

REPLY BY: \_\_\_\_\_

TO: Larry E. Wolgast  
Secretary of Human ResourcesFROM: Gerald Schneider  
Chief of Fiscal Management

SUBJECT: Special Employment Security Fund

From the records we have on hand which go back to 7-1-73, it appears we have borrowed funds on four separate occasions from the Special Employment Security Fund:

	<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
1.	9-21-84	225,000	Funds were borrowed to meet the daily cash flow needs of the Employment Security Admin. Fund. Borrowing was necessary because of delay in receiving obligational authority from U.S. Department of Labor. Special Employment Security Fund was repaid upon receipt of federal funds.
2.	9-16-83	38,880	Funds were borrowed to purchase postage for postal meters when the Employment Security Programs were going off the postage indicia. Once federal funds were received by the Department, the Special Employment Security Fund was reimbursed for the funds borrowed. Use of the postage indicia was later restored for use by Employment Security Programs effective February 1, 1984.
3.	3-31-83	965,000	The letter of credit transmittal of funds from the U.S. Treasury was delayed. In order to meet the Employment Security Administration Fund's share of the Department payroll, we had to transfer funds from the Special Employment Security Fund. Once the federal funds were received, the Special Employment Security Fund was repaid.

Att. #4 2-19-86  
H. L. I.

4. 6-21-74      180,000      Funds were borrowed to meet the Employment Security Division's regular payroll. A notice of obligational authority was delayed in coming to the Department. Once the notice was received, federal funds were ordered with repayment back to the Special Employment Security Fund.

With the last minute action by Congress on appropriation bills or continuing resolutions, it is surprising we have had to borrow as few times as we have from the Special Employment Security Fund. However that does not say we can always rely on our good fortune.

Possible Other Uses of the Fund:

1. If similar actions occur as Gramm-Rudman, which have a significant impact on a program, use of the resources in this fund will allow for a cushioned blow. We would have time to make an indepth assessment of the situation, work with a community if an office is to be closed, and have an orderly scaling down of services to a community.
2. Access to these funds will allow us to react to a natural disaster or unforeseen occurrence which would have a significant effect on our operations. (i.e., State would have to pay for the additional postage costs because of State UI law changes which increase the State's use of the indicia. Tornado strikes one of our local offices causing damage to the Department owned building.)
3. The Employment Security share of the Department's monthly payroll is approximately 1.7 M. Continued access to this fund will allow us to have a source of cash upon which to draw if similar situations occur as in fiscal years 1983 and 1985.

GS:dr