

Approved January 25, 1989
Date

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY & SMALL BUSINESS

The meeting was called to order by Senator Alicia Salisbury at
Chairperson

1:35 a.m./p.m. on January 19, 1989 in room 527-S of the Capitol.

All members were present except:

Senator John Strick - Excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Gordon Self, Revisor of Statutes Office
Mary Allen, Committee Secretary

Conferees appearing before the committee:

Ray Siehndel, Department of Human Resources
William Layes, Department of Human Resources
Paul Bicknell, Department of Human Resources
Bill Clawson, Department of Human Resources

The meeting was called to order by the Chairman, Senator Alicia Salisbury. She announced that the purpose of the meeting is to receive information from the Department of Human Resources concerning the Employment Security Act.

Ray Siehndel, Acting Secretary of the Department of Human Resources (DHR), gave an overview of the Kansas Employment Security Law which is administered by that Department. He noted that the funds for this come from the federal government although the tax is paid directly by the employers. He stated that their total budget this year, including benefits, will be about \$236 million and, of that, all but about \$1.3 million comes from the federal government channeled through the Department of Labor. The FUTA tax, which is a tax on the employer on wages they pay, goes to the federal government with the federal government determining how much is given back to each state to operate the program. Mr. Siehndel said that the largest grant of money returned to the state is for the unemployment insurance program.

Mr. Siehndel called on William Layes, Chief of Research and Analysis for the DHR, to discuss the Kansas Unemployment Insurance Trust Fund. Mr. Layes said that his department is responsible for the Bureau of Labor Statistics Program. He noted that unemployment rates come from his department and that the department serves in an actuarial capacity determining tax rates for the payment of unemployment insurance as well as establishing the minimum and maximum benefit amounts which eligible claimants can receive. He distributed and discussed copies of a report on the "Current Financial Position of the Kansas Unemployment Insurance Benefit Fund" which included a ten year review of the Fund (Attachment I).

Senator Morris observed that many small business people complain that their unemployment tax rates have been raised in spite of the fact that they have good experience ratings. He asked the DHR to suggest changes which could be made in the law to help with this situation. Senator Feleciano suggested that it would be helpful to have a lesson on how the DHR sets the employers' tax rates.

Paul Bicknell, Chief of Contributions for the DHR, said that "contributions" is a word for what is called unemployment insurance and it takes the form of a tax which is paid entirely by the employer. He noted that his job is to assess and collect the amount of taxes actually due from employers to finance the payment of unemployment benefits. He observed that the other unemployment tax is the annual FUTA tax which is paid to the federal government and is used to pay the administrative costs of the federal and state unemployment insurance program. Mr. Bicknell gave an overview of the methods used by employers in financing

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY & SMALL BUSINESS

room 527-S, Statehouse, at 1:35 ~~am~~/p.m. on January 19, 1989

unemployment compensation and an overview of the taxable wage base in Kansas.

Bill Clawson, Chief of Benefits for the DHR, said that Kansas is paying unemployment benefits of approximately \$3.2 million per week to an average of 18,000 individuals. He noted that the maximum rate is \$210.00 and the minimum is \$52.00 with the average being about \$162.00. He observed that only forty percent of those eligible reach the maximum rate. He provided Committee members with a booklet entitled "Handbook for Employers" concerning unemployment insurance. (A copy of this booklet is on file in the Kansas Legislative Research Department, Room 545-N, Statehouse.) Mr. Clawson also passed out a pamphlet entitled "Unemployment Insurance Benefits" (Attachment II) He stated that the DHR will be bringing proposed legislation to the Committee for its consideration in the areas of voluntary quits, the extended benefits program and the so-called "life guard" bill.

Mr. Siehndel reminded the Committee that not all those who are unemployed are covered by unemployment insurance. He referred to the gap between the rate of unemployment that is insured and the total rate of unemployment and noted that the gap is now so wide that it is a matter of concern at the federal level. Senator Daniels asked if the DHR could provide information on the breakdown of categories of people who do not have unemployment insurance. Mr. Siehndel said that the DHR will provide this information to the Committee. The Chairman expressed an interest in the Committee also receiving additional information on rates and the Trust Fund balance.

The meeting was adjourned by the Chairman at 2:30 p.m.

GUEST LIST

<u>NAME</u>	<u>REPRESENTING</u>
Catherine A. Deaver	Dept. of Human Resources
William Layes	Dept of Human Resources
Bill Clauson	" " " "
Paul B. Bicknell	Dept of Human Resources
A. J. Kistner	" " " "
P. V. Spahr	" " " "
Ch. Sutz Kelly	KASB

CURRENT FINANCIAL POSITION OF
KANSAS UNEMPLOYMENT INSURANCE
BENEFIT TRUST FUND

. . . . prepared for
SENATE LABOR, INDUSTRY, AND SMALL BUSINESS COMMITTEE
Meeting of January 19, 1989

Ray D. Siehndel, Acting Secretary
KANSAS DEPARTMENT OF HUMAN RESOURCES
DIVISION OF POLICY AND MANAGEMENT ANALYSIS
RESEARCH AND ANALYSIS SECTION
JANUARY 1989

*Senate Labor, Industry &
Small Business
Attachment I
1-19-89 1-1*

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SUMMARY
10 Year Review of Kansas UI Trust Fund
1978 - 1988

- * December 31, 1978 trust fund balance at \$197 million.
- * During 1980 the trust fund rose to \$240 million.
- * Effective 1979 the method for determining total employer payments to the fund was reduced by amending Schedule III of K.S.A. 44-710a (fund control).
- * Fund balance fell to \$93 million in midst of the 1982-1983 recession.
- * Surcharge on employer contributions was enacted for CY 1983 and maximum weekly benefit amount for claimants was frozen for FY 1984-1986.
- * Method for determining total income to the fund (fund control) was reset in 1983 to original levels and expanded to 18 steps (K.S.A. 44-710a).
- * Current trust fund balance (December 1988) is approximately \$405 million.
- * From 1979 to 1988 benefits exceeded contributions by \$78 million. Growth of the fund can be attributed to interest earned.
- * Current reserve fund ratios at 2.20 per cent and high cost multiple at 1.2 are below recommended levels. (3.00 per cent and 2.0 - 3.0)

TRUST FUND HIGHLIGHTS

The Kansas Unemployment Insurance financial program is designed to collect a sufficient amount of revenue so as to maintain reserves adequate to pay benefits during recessionary periods. It is desirable that the fund retain a level sufficient to avoid hardship for both claimants and employers. At the end of calendar year 1988 the Kansas reserve fund balance stood at approximately \$404.5 million. Although up \$311.5 million from the \$93 million low of the 1982-1983 recession, the fund has yet to reach an ideal statistical level. However, the fund is actuarially sound and approaching a desired position.

The reserve fund ratio and high cost multiple have long been recommended by many Department of Labor actuaries as guides in the evaluation of reserve fund adequacy. The reserve fund ratio is the percentage of the reserve balance to total covered wages and is currently used as a basis for taxation in the Kansas Law. The high cost multiple is a parameter derived from the reserve fund ratio and benefit cost rate comparing present reserves to benefits paid during times of high unemployment. The minimum safe level of the high cost multiple is considered to be 1.5, meaning the reserve fund balance would be sufficient to pay benefits equal to 1.5 times those of the highest 12-month period in the last 15 years. The estimated reserve fund ratio and high cost multiple at the close of the 1988 calendar year were 2.20 per cent and 1.2, respectively. As shown in Table 3, these measures still remain lower than comparable values 10 years earlier.

Prior to the recessions of the mid-1970's and early 1980's many states only considered the dollar amount of the reserve balance in determining reserve fund adequacy. The potential risk of depletion due to a heavy payment load was given only casual consideration. It has now been generally realized that it is financially desirable to contribute amounts which retain trust fund balances at significant levels during times of stability rather than impose added assessments during recessionary periods. Without proper controls, it may take several years to replenish a trust fund following a recession and the fund would be vulnerable if the economy should become soft. The following factors demonstrate how quickly the fund could be depleted.

- (1) Increases in wages result in higher weekly benefit payments to claimants.
- (2) An expanding labor force translates into a larger number of potential claimants.
- (3) Nearly \$6 million in benefits were paid to claimants during various one week periods of the 1982-1983 recession. With the growth of wages and the labor force, it is possible this amount or more could be paid to claimants for most weeks of a future recession.

- (4) Recessions tend to affect the Kansas covered labor force for an average of two years.
- (5) A future economic downturn could thus result in \$600 million or more in benefit payments during a two-year period.

Another factor to be considered when evaluating trust fund size is interest earned. In recent years, interest has been a major element in trust fund growth. If the trust fund level were to be lowered, interest earnings would decrease and greater vulnerability to economic slowdowns could result. Reduced interest earnings translates into less protection at a time of greater benefit potential and the recovery of the trust fund would be extended over a longer period of time. If interest had not been credited to the fund during calendar year 1988, a period of relatively stable economic activity, the fund balance would have risen \$17.6 million instead of \$49.5 million. Interest accrued during the 1988 calendar year would have paid 10 average weeks or 20 per cent of the annual benefit outlay. During the 1978-87 decade, only interest earned allowed the fund balance to increase as benefits exceeded contributions by \$55 million.

As mentioned earlier, several factors affect the trust fund balance. Statistical parameters rather than "fixed" trust fund levels have thus been found to be the most accurate measures of fund adequacy. The current method of computing tax rates for contributing employers under the Kansas Employment Security Law uses the reserve fund ratio as a basis for the required yield. Although it might seem attractive to amend the planned yield rate schedule at the present time, it should be recalled that without the amendments reducing planned yield affective with 1979 tax rates, the contribution surcharges and benefit freezes enacted during 1983 might not have been necessary. The Law has also been amended to recenter the fund control schedule to yield 1.00 per cent of total wages at the recommended 3.00 per cent reserve fund ratio level. Contributions and interest earned have exceeded benefit payments in recent years, allowing growth of the fund to occur. It is therefore suggested that no major changes to the calculations of tax rates or benefit payments are required at this time.

Table 1
Benefits, Contributions, and Interest
CY's 1977 - 1988

Calendar Year	Benefits Paid (000,000's)	Contributions Received (000,000's)	Interest Earned (000,000's)	Average Interest Rate
1977	\$ 54.2	\$ 63.8	\$ 8.6	5.92%
1978	46.2	81.3	10.4	5.92
1979	59.4	79.5	15.3	6.96
1980	117.7	83.3	20.0	8.53
1981	112.3	88.2	22.1	9.99
1982	217.8	105.7	21.4	11.29
1983	165.9	157.5	14.0	10.44
1984	112.8	172.2	20.6	10.18
1985	139.7	167.9	28.2	10.34
1986	168.4	157.0	31.1	9.77
1987	166.1	158.3	30.3	9.05
1988	148.9	161.7	31.9	8.50
TOTAL	\$1,509.4	\$1,476.4	\$253.9	8.91%

Graph 1
INTEREST EARNED ON RESERVE FUND
1977 - 1988

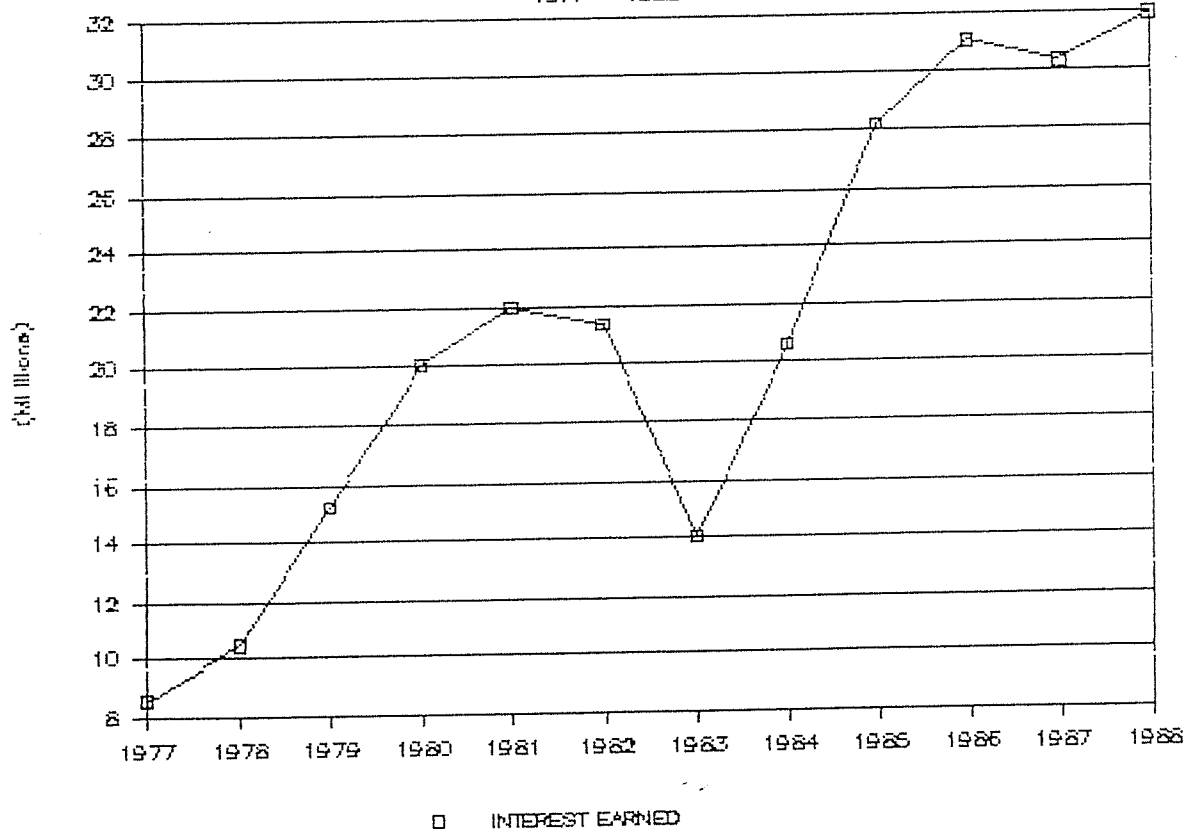


Table 2
Tax Rate Computation Statistics
1978 - 1989

Rate Year	Reserve Fund Balance, July 31 (000,000's)	Average Required Yield (000,000's)	Tax Rates For		
			Positive Minimum	Eligible Maximum	Employers Average
1978	\$151.5	\$ 73.3	0.00%	3.60%	2.131%
1979	181.8	76.5	0.00	3.50	1.745
1980	234.9	80.9	0.05	3.60	1.861
1981	246.2	90.4	0.05	3.80	1.993
1982	236.0	108.6	0.06	4.30	2.422
1983	216.8	127.9 ^{a/}	0.07 ^{a/}	5.40 ^{a/}	2.786 ^{a/}
1984	166.2	150.0	0.06	5.13	2.567
1985	225.0	148.7	0.06	4.80	2.398
1986	301.6	144.4	0.06	4.40	2.202
1987	340.6	143.8	0.06	4.42	2.209
1988	369.2	144.7	0.05	4.40	2.199
1989	402.0	152.3	0.06	4.50	2.248

^{a/} Does not include 20 per cent surcharge. With surcharge:
\$153,500,000, 0.08%, 6.48%, and 3.343%, respectively.

Table 3
Comparison of End of Year Fund Balances
1977 - 1988

Calendar Year	Total Wages (000,000's)	Reserve Fund Balance (000,000's)	Reserve Fund Ratio	High Cost Multiple
1977	\$ 6,861.0	\$152.6	2.22%	1.5
1978	9,086.8	197.0	2.17	1.4
1979	10,400.6	234.2	2.25	1.5
1980	11,507.7	218.7	1.90	1.2
1981	12,706.3	220.8	1.74	1.1
1982	13,214.9	135.1	1.02	0.6
1983	13,751.1	152.5	1.11	0.6
1984	15,009.4	234.7	1.56	0.9
1985	15,770.7	295.7	1.87	1.1
1986	16,552.8	322.7	1.95	1.1
1987	17,386.8	355.0	2.04	1.1
1988	18,400.0 (est.)	404.5	2.20 (est.)	1.2 (est.)

Table 4
Trust Fund Balance
December 31
(\$000's)

<u>State and Current Wage Base</u>	<u>1988 (June 30)</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
Kansas (\$8,000).....	393,247	362,577	329,753	302,040	240,825
Arkansas (\$7,500).....	108,762	100,701	98,243	90,989	41,990
Colorado (\$10,000)....	118,397	96,052	83,120	84,470	28,035
Iowa (\$11,000).....	347,932	282,758	143,871	50,618	0
Missouri (\$7,000).....	383,010	365,983	330,099	224,535	183,515
Nebraska (\$7,000).....	92,298	86,959	78,029	70,670	75,780
Oklahoma (\$9,100).....	165,018	112,446	68,383	105,720	82,934

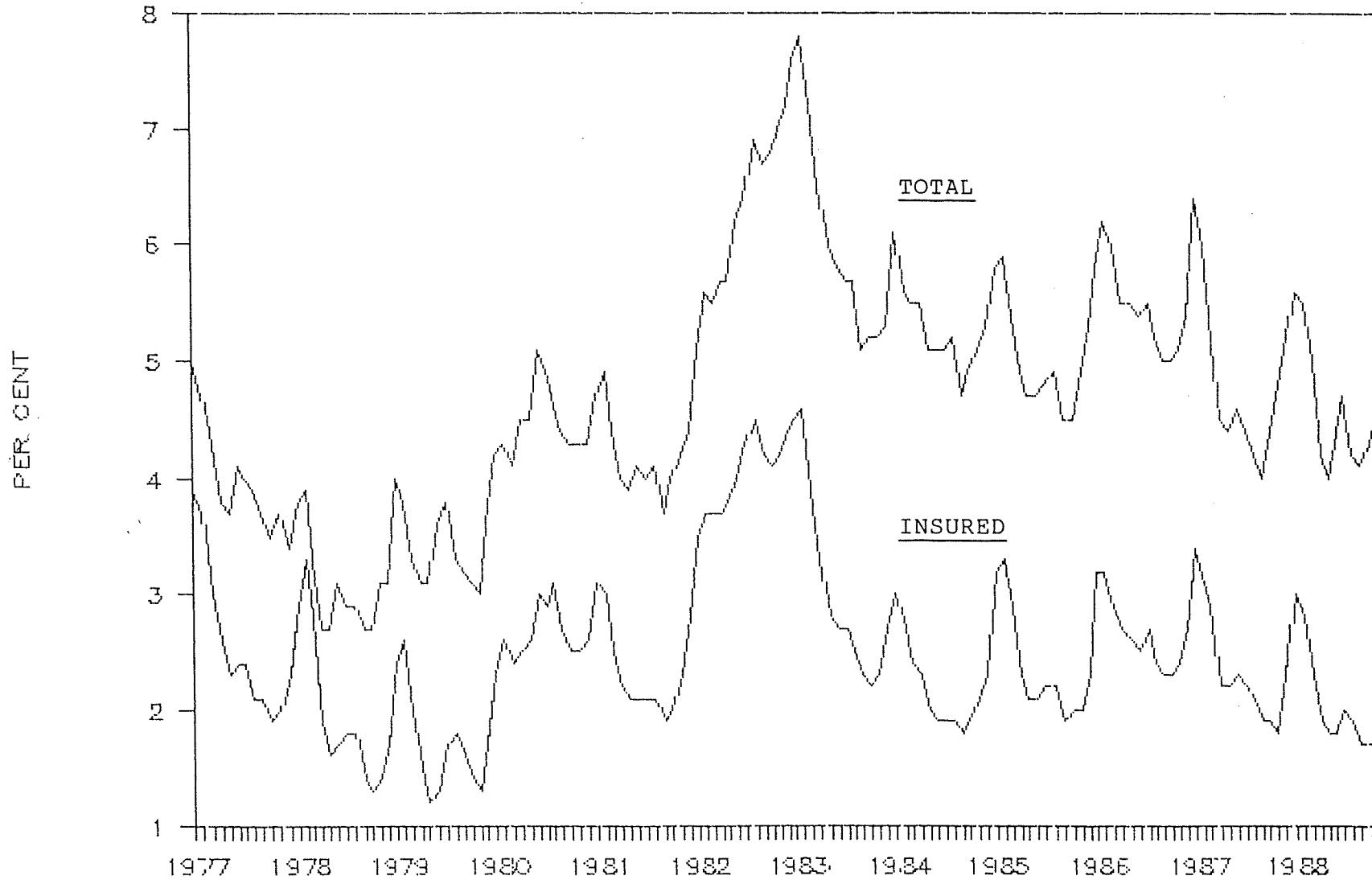
Table 5
Trust Fund Balance
As a Per Cent of Total Wages
December 31

<u>State</u>	<u>1988 (June 30)</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
Kansas.....	2.43	2.26	2.02	1.96	1.65
Arkansas.....	1.01	0.95	0.80	0.80	0.39
Colorado.....	0.45	0.37	0.31	0.33	0.11
Iowa.....	2.45	2.05	0.88	0.31	0
Missouri.....	1.14	1.11	0.89	0.65	0.57
Nebraska.....	1.15	1.11	0.80	0.76	0.89
Oklahoma.....	1.02	0.71	0.33	0.54	0.44

Source: Quarterly Unemployment Insurance Compilation and Characteristics, U.S. Department of Labor, Division of Actuarial Services.

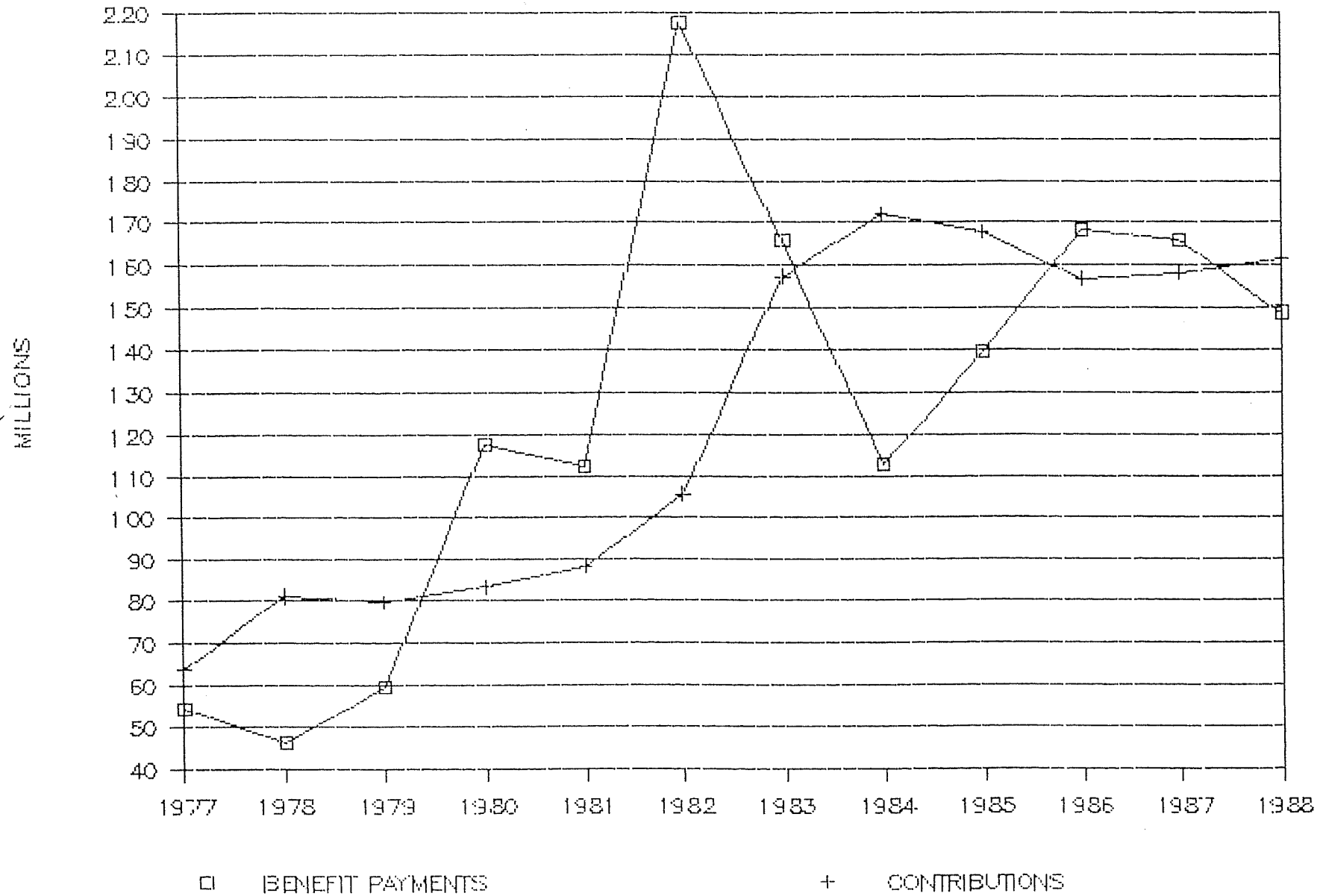
Graph 2
UNEMPLOYMENT RATES—INSURED AND TOTAL

JAN 1977—NOV 1988 BY MONTH



Graph 3 BENEFIT PAYMENTS AND CONTRIBUTIONS

1977 - 1988

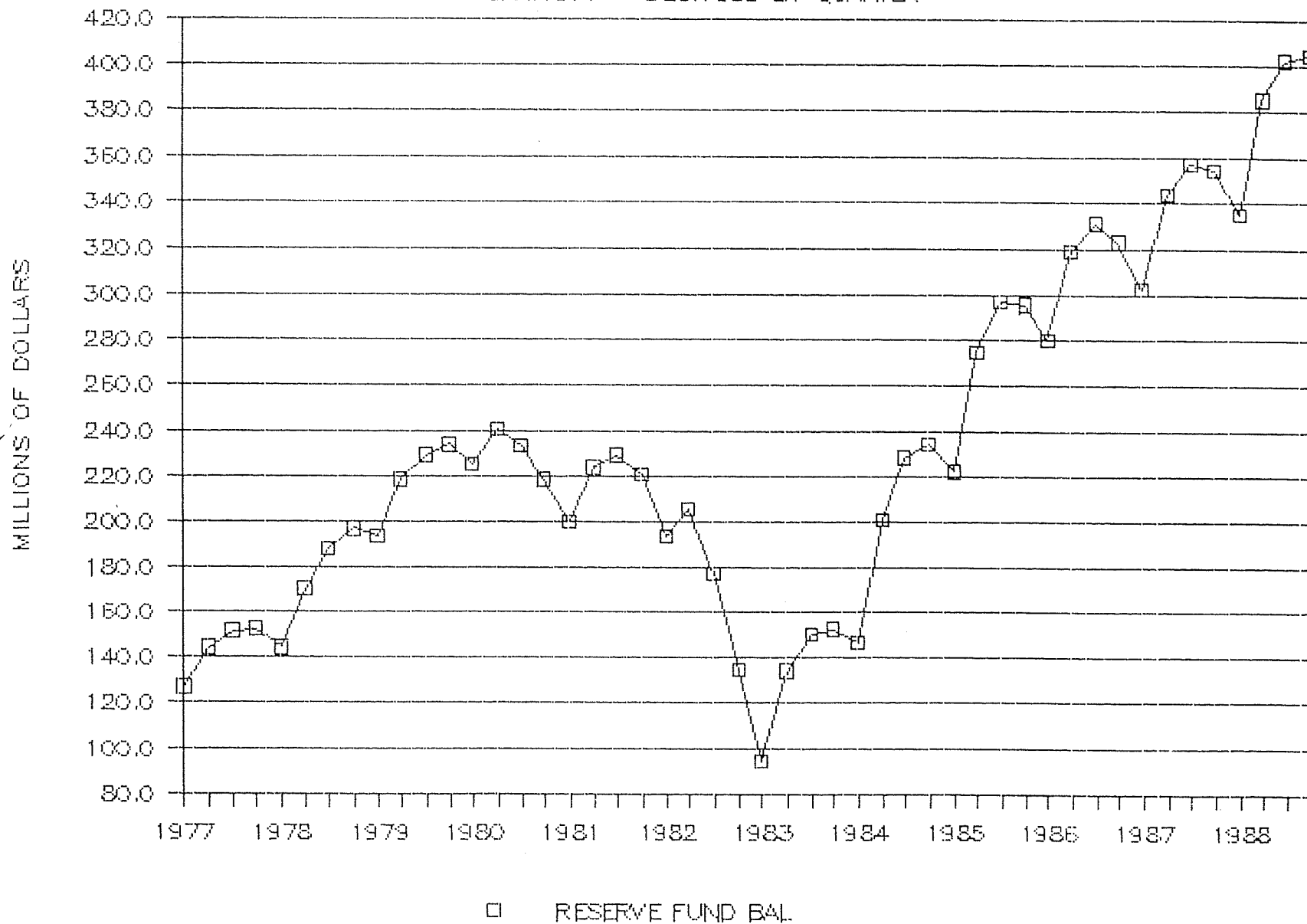


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Graph 4
RESERVE FUND BALANCE

JAN. 1977 - DEC. 1988 BY QUARTER



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Table 6
 AVERAGE TAX RATES AND RANGE OF RATES 1/
 CALENDAR YEAR 1988

STATE	AVERAGE TAX RATES		TAX RATES	
	TAXABLE	TOTAL	MAXIMUM	MINIMUM 2/
ALABAMA (8,000)	1.6	0.7	5.40	0.500
ALASKA (21,000)	4.4	3.0	5.66	1.830
ARIZONA	1.4	0.6	5.40	0.100
ARKANSAS (7,500)	2.5	1.2	6.50	0.600
CALIFORNIA	2.3	0.8	5.40	0.300
COLORADO (10,000)	2.1	0.9	5.40	0.300
CONNECTICUT (7,100)	1.9	0.6	6.10	1.200
DELAWARE (8,500)	2.7	1.0	9.50	1.200
FLORIDA	0.9	0.4	5.40	0.100
GEORGIA (7,500)	1.5	0.6	8.64	0.060
HAWAII (8,700)	1.2	0.6	5.40	0.000
IDAHO (16,200)	3.0	2.0	5.60	1.700
ILLINOIS (9,000)	3.2	1.2	7.50	0.600
INDIANA	1.4	0.5	5.40	0.300
IOWA (11,000)	2.9	1.5	9.00	0.000
KANSAS (8,000)	2.5	1.1	6.40	0.050
KENTUCKY (8,000)	2.6	1.1	9.50	0.500
LOUISIANA (8,500)	3.7	1.7	6.75	0.340
MAINE	2.5	1.0	5.90	1.800
MARYLAND	1.5	0.4	5.40	0.100
MASSACHUSETTS	2.1	0.7	5.40	1.200
MICHIGAN (9,500)	4.2	1.6	10.00	1.000
MINNESOTA (11,700)	2.4	1.2	8.00	0.800
MISSISSIPPI	1.2	0.5	5.40	0.100
MISSOURI	1.7	0.7	6.00	0.000
MONTANA (12,600)	1.9	1.4	6.40	0.900
NEBRASKA	1.5	0.5	5.40	0.100
NEVEDA (12,100)	1.5	0.9	5.40	0.300
NEW HAMPSHIRE	0.7	0.3	6.50	0.010
NEW JERSEY (12,000)	2.1	1.0	5.80	0.500
NEW MEXICO (10,800)	1.8	1.0	5.40	0.900
NEW YORK	2.8	0.8	6.40	1.000
N. CAROLINA (10,100)	0.9	0.5	6.84	0.012
N. DAKOTA (11,000)	3.1	1.8	8.00	0.700
OHIO (8,000)	3.4	1.3	7.80	0.800
OKLAHOMA (9,100)	2.7	1.1	9.20	0.300
OREGON (14,000)	3.0	1.9	5.40	2.200
PENNSYLVANIA (8,000)	4.2	1.6	9.70	2.000
RHODE ISLAND (12,000)	3.0	1.7	7.80	1.800
S. CAROLINA	1.9	0.8	5.40	1.240
S. DAKOTA	0.8	0.4	8.00	0.000
TENNESSEE	1.6	0.6	10.00	0.150
TEXAS (8,000)	3.7	1.3	6.57	0.570
UTAH (13,200)	1.5	0.9	9.00	0.400
VERMONT (8,000)	3.3	1.5	6.50	0.800
VIRGINIA	1.1	0.4	6.20	0.100
WASHINGTON (15,100)	3.8	2.2	5.40	1.880
WEST VIRGINIA (8,000)	4.1	1.7	8.50	2.500
WISCONSIN (10,500)	3.6	1.7	9.80	0.270
WYOMING (10,200)	3.3	1.8	9.75	1.250

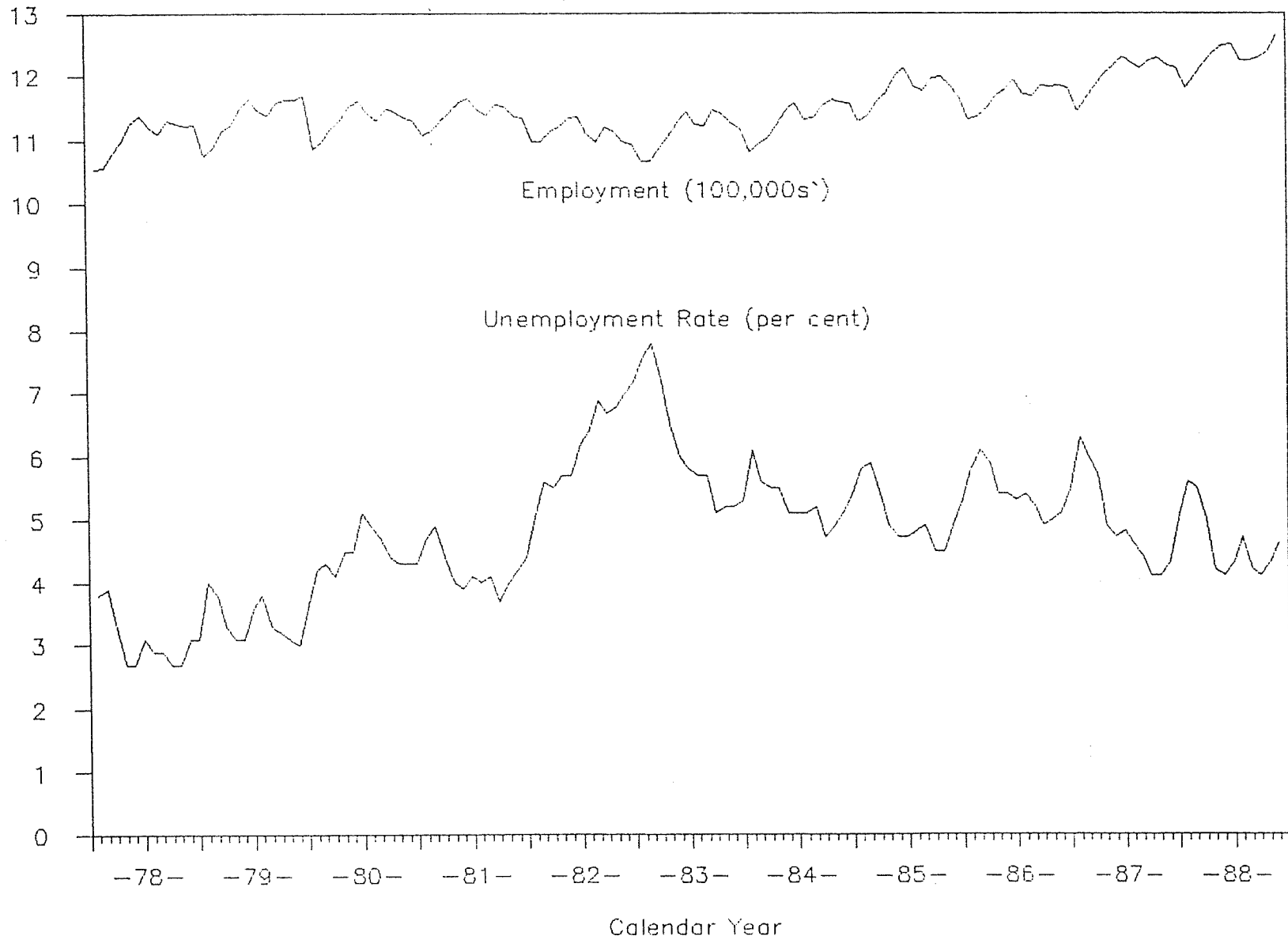
1/ TAX BASE IS \$7,000 EXCEPT AS SHOWN IN PARENTHESES.

2/ MINIMUM RATE FOR POSITIVE BALANCE EMPLOYER.

SOURCE: COMMERCE CLEARING HOUSE, INC.

Kansas Employment and Unemployment

January 1978—November 1988



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Table 7

LABOR MARKET SUMMARY 1978 - 1988
Kansas

Year	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988*
Civilian Labor Force--Place of Residence Data											
Civilian Labor Force	1,142,000	1,176,000	1,184,000	1,190,000	1,185,000	1,186,000	1,196,000	1,237,000	1,237,000	1,267,000	1,287,000
Employment	1,107,000	1,137,000	1,131,000	1,140,000	1,111,000	1,114,000	1,133,000	1,176,000	1,169,000	1,205,000	1,228,000
Unemployment	35,000	40,000	53,000	50,000	74,000	72,000	63,000	62,000	67,000	62,000	59,000
Unemployment Rate	3.0	3.4	4.5	4.2	6.3	6.1	5.2	5.0	5.4	4.9	4.6
Nonfarm Wage and Salary Employment--Place of Work Data (in thousands)											
All Industries	912.5	946.8	944.7	949.7	921.4	921.6	960.7	967.9	984.8	999.6	1,018.1
Manufacturing	185.9	198.9	190.5	188.6	168.8	164.7	176.4	174.4	175.7	175.9	180.2
Durable Goods	119.9	130.3	122.3	119.4	101.2	97.1	105.3	102.1	102.6	102.4	106.2
Stone, Clay & Glass Products	9.0	8.6	7.7	7.3	6.6	6.8	6.9	6.8	6.7	6.3	6.1
Primary Metal Industries	3.8	4.2	3.9	3.8	2.9	2.4	3.2	3.0	3.0	2.9	3.1
Fabricated Metal Products	13.9	14.2	13.0	12.7	11.3	10.6	11.2	11.1	11.1	11.0	11.7
Machinery (including											
Electric & Electronic)	32.6	37.3	35.1	34.5	29.3	26.7	28.8	27.8	27.2	27.4	28.8
Transportation Equipment	48.0	53.5	51.3	50.1	40.9	40.3	44.2	43.3	45.2	45.0	46.4
Non-durable Goods	66.0	68.6	68.2	69.2	67.6	67.6	71.1	72.3	73.0	73.5	74.0
Food & Kindred Products	22.5	22.9	23.3	23.7	24.2	24.9	26.3	27.5	27.6	27.9	28.4
Meat Products	8.5	9.0	9.3	9.7	10.6	11.2	12.8	14.1	14.1	14.5	14.9
Dairy Products	2.6	2.1	2.0	1.9	1.8	1.8	1.6	1.4	1.5	1.6	1.7
Grain Mill Products	3.6	3.8	4.0	4.1	3.8	3.9	4.0	3.7	3.6	3.5	3.6
Apparel & Other Textile											
Products	3.8	3.7	3.6	3.6	3.4	3.5	3.6	3.4	3.3	3.4	3.6
Printing & Publishing	15.7	16.7	16.8	17.3	16.9	17.0	18.3	18.3	18.8	18.8	18.7
Chemicals & Allied Products	8.5	8.9	9.1	8.8	8.5	8.0	8.0	8.0	8.2	7.9	7.7
Petroleum & Coal Products	4.5	4.6	4.6	5.0	4.5	3.7	3.1	3.0	3.0	3.0	3.1
Mining	12.9	13.7	16.1	19.8	18.8	17.2	17.9	16.7	12.2	11.5	11.5
Oil & Gas Extraction	10.9	11.7	14.1	17.9	17.2	15.6	16.3	15.1	10.7	10.0	10.1
Construction	48.1	49.9	46.5	42.7	39.0	39.7	43.6	42.3	43.9	44.5	42.0
Transportation &											
Public Utilities	63.2	65.3	63.7	62.7	61.4	62.2	64.1	63.9	62.7	61.4	61.2
Railroad Transportation	14.5	14.7	13.4	12.8	11.7	11.5	11.9	11.2	10.2	9.2	8.9
Trucking & Warehousing	20.2	20.8	19.5	18.6	18.2	19.4	21.3	21.9	21.5	21.8	22.1
Electric, Gas &											
Sanitary Services	10.7	11.1	11.4	11.6	11.7	11.6	11.7	11.7	11.6	11.7	11.6
Trade Total	221.4	225.7	226.4	228.6	227.9	229.0	239.4	243.3	247.8	251.4	257.0
Wholesale Trade	61.3	63.5	64.7	65.8	65.3	64.4	67.2	67.2	67.1	68.0	69.9
Retail Trade	160.1	162.2	161.7	162.8	162.6	164.6	172.2	176.1	180.7	183.4	187.1
General Merchandise Stores	24.6	24.1	23.7	24.4	23.9	23.5	24.6	25.0	24.5	25.5	27.9
Food Stores	20.9	22.1	23.0	23.1	23.0	23.3	24.0	25.2	26.4	27.0	27.8
Automotive Dealers &											
Service Stations	24.4	23.5	21.8	20.8	21.0	21.0	22.1	22.3	22.6	23.1	23.4
Apparel & Accessory Stores	9.7	9.8	10.1	10.0	9.7	9.5	9.7	9.2	9.1	9.2	9.2
Finance, Insurance											
& Real Estate	45.0	46.3	47.2	48.2	48.9	50.0	51.3	52.8	54.7	56.4	57.1
Banking	14.5	15.0	15.4	15.8	16.0	16.0	16.1	16.3	16.4	16.3	16.2
Insurance Carriers	11.1	10.7	11.2	11.5	11.6	11.3	11.1	11.0	11.0	10.9	10.8
Services	156.2	163.7	166.8	173.2	172.8	175.9	182.8	185.8	193.7	200.8	207.9
Hotels &											
Other Lodging Places	7.2	7.4	7.7	8.4	8.3	7.9	8.6	9.2	9.3	9.3	9.4
Personal Services	9.2	9.2	9.2	9.5	9.7	9.8	10.2	10.5	11.2	11.4	11.4
Government	180.0	183.3	187.4	185.9	183.8	182.9	185.2	188.7	194.1	197.8	201.2
Federal Government	26.0	26.0	26.7	25.1	25.2	25.5	26.3	27.1	27.7	27.3	26.6
State & Local Government	154.0	157.3	160.7	160.8	158.5	157.4	158.9	161.6	166.4	170.5	174.7
Other Categories (in thousands)											
Labor-Management Disputes	0.7	0.2	0.5	0.1	0.0	0.4	0.3	0.1	0.1	0.0	0.0
Farm Employment	67.6	65.5	72.2	70.6	69.0	67.5	65.9	64.4	63.0	61.6	60.3

1/13/89 Kansas Department of Human Resources, Research and Analysis Section, phone (913) 296-5052.
Developed in cooperation with the U. S. Bureau of Labor Statistics.

These estimates are based on data drawn from unemployment insurance employer records through March 1987.
*December 1987 - November 1988 average.

Table 8
State of Kansas Labor Force History Jan '78--Nov '88
Place of Residence Data

Period	Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
January	1978	1,095,768	1,054,174	41,594	3.8
February	1978	1,098,916	1,056,221	42,695	3.9
March	1978	1,117,009	1,079,757	37,252	3.3
April	1978	1,130,925	1,100,717	30,208	2.7
May	1978	1,155,645	1,124,940	30,705	2.7
June	1978	1,175,045	1,138,789	36,256	3.1
July	1978	1,152,617	1,118,703	33,914	2.9
August	1978	1,144,145	1,110,501	33,644	2.9
September	1978	1,159,948	1,128,505	31,443	2.7
October	1978	1,156,936	1,125,975	30,961	2.7
November	1978	1,156,967	1,121,211	35,756	3.1
December	1978	1,160,079	1,124,507	35,572	3.1
Annual Average	1978	1,142,000	1,107,000	35,000	3.0
January	1979	1,120,838	1,075,573	45,265	4.0
February	1979	1,132,781	1,089,431	43,350	3.8
March	1979	1,150,435	1,112,830	37,605	3.3
April	1979	1,158,564	1,122,957	35,607	3.1
May	1979	1,184,201	1,147,796	36,405	3.1
June	1979	1,207,782	1,164,602	43,180	3.6
July	1979	1,190,841	1,145,708	45,133	3.8
August	1979	1,175,708	1,137,013	38,695	3.3
September	1979	1,194,600	1,156,896	37,704	3.2
October	1979	1,199,050	1,161,458	37,592	3.1
November	1979	1,198,738	1,162,439	36,299	3.0
December	1979	1,210,465	1,167,299	43,166	3.6
Annual Average	1979	1,176,000	1,137,000	40,000	3.4
January	1980	1,134,300	1,086,326	47,974	4.2
February	1980	1,147,577	1,097,945	49,632	4.3
March	1980	1,165,269	1,117,920	47,349	4.1
April	1980	1,185,510	1,131,653	53,857	4.5
May	1980	1,205,556	1,151,845	53,711	4.5
June	1980	1,222,649	1,160,836	61,813	5.1
July	1980	1,199,985	1,141,368	58,617	4.9
August	1980	1,185,902	1,129,717	56,185	4.7
September	1980	1,200,181	1,146,938	53,243	4.4
October	1980	1,195,923	1,144,308	51,615	4.3
November	1980	1,185,134	1,133,850	51,284	4.3
December	1980	1,180,013	1,129,293	50,720	4.3
Annual Average	1980	1,184,000	1,131,000	53,000	4.5
January	1981	1,163,334	1,108,434	54,900	4.7
February	1981	1,171,717	1,114,265	57,452	4.9
March	1981	1,181,121	1,129,172	51,949	4.4
April	1981	1,189,944	1,142,767	47,177	4.0
May	1981	1,205,830	1,158,749	47,081	3.9
June	1981	1,213,362	1,163,586	49,776	4.1
July	1981	1,196,090	1,148,485	47,605	4.0
August	1981	1,186,805	1,138,704	48,101	4.1
September	1981	1,198,597	1,153,672	44,925	3.7
October	1981	1,200,833	1,152,540	48,293	4.0
November	1981	1,186,466	1,136,228	50,238	4.2
December	1981	1,185,903	1,133,399	52,504	4.4
Annual Average	1981	1,190,000	1,140,000	50,000	4.2

01/11/89 Kansas Department of Human Resources, Research and Analysis Section, phone (913) 296-5058. Developed in cooperation with the U. S. Bureau of Labor Statistics.

Table 8 (Cont.)
 State of Kansas Labor Force History Jan '78--Nov '88
 Place of Residence Data

Period	Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
January	1982	1,156,219	1,096,825	59,394	5.1
February	1982	1,162,802	1,097,666	65,136	5.6
March	1982	1,179,315	1,113,993	65,322	5.5
April	1982	1,187,247	1,119,203	68,044	5.7
May	1982	1,203,430	1,134,552	68,878	5.7
June	1982	1,212,377	1,136,625	75,752	6.2
July	1982	1,185,357	1,110,073	75,284	6.4
August	1982	1,179,075	1,098,147	80,928	6.9
September	1982	1,199,521	1,119,027	80,494	6.7
October	1982	1,196,191	1,114,853	81,338	6.8
November	1982	1,180,879	1,098,109	82,770	7.0
December	1982	1,177,587	1,092,927	84,660	7.2
Annual Average	1982	1,185,000	1,111,000	74,000	6.3
January	1983	1,154,166	1,066,293	87,873	7.6
February	1983	1,156,147	1,066,479	89,668	7.8
March	1983	1,171,063	1,087,289	83,774	7.2
April	1983	1,179,873	1,103,398	76,475	6.5
May	1983	1,198,572	1,127,002	71,570	6.0
June	1983	1,214,955	1,143,923	71,032	5.8
July	1983	1,191,326	1,123,284	68,042	5.7
August	1983	1,188,631	1,120,909	67,722	5.7
September	1983	1,207,054	1,145,303	61,751	5.1
October	1983	1,201,633	1,139,368	62,265	5.2
November	1983	1,188,424	1,126,990	61,434	5.2
December	1983	1,180,156	1,117,762	62,394	5.3
Annual Average	1983	1,186,000	1,114,000	72,000	6.1
January	1984	1,151,625	1,081,688	69,937	6.1
February	1984	1,157,273	1,092,371	64,902	5.6
March	1984	1,167,750	1,103,386	64,364	5.5
April	1984	1,186,996	1,122,258	64,738	5.5
May	1984	1,205,467	1,144,126	61,341	5.1
June	1984	1,220,989	1,158,167	62,822	5.1
July	1984	1,193,809	1,132,601	61,208	5.1
August	1984	1,196,051	1,134,225	61,826	5.2
September	1984	1,208,067	1,151,601	56,466	4.7
October	1984	1,221,861	1,161,963	59,898	4.9
November	1984	1,220,710	1,157,872	62,838	5.1
December	1984	1,221,401	1,155,741	65,660	5.4
Annual Average	1984	1,196,000	1,133,000	63,000	5.2
January	1985	1,197,284	1,128,073	69,211	5.8
February	1985	1,208,290	1,137,380	70,910	5.9
March	1985	1,225,832	1,159,768	66,064	5.4
April	1985	1,232,233	1,172,054	60,179	4.9
May	1985	1,260,570	1,201,010	59,560	4.7
June	1985	1,271,431	1,211,610	59,821	4.7
July	1985	1,243,039	1,182,997	60,042	4.8
August	1985	1,236,536	1,176,474	60,062	4.9
September	1985	1,251,684	1,195,889	55,795	4.5
October	1985	1,255,613	1,198,655	56,958	4.5
November	1985	1,244,468	1,183,624	60,844	4.9
December	1985	1,229,019	1,164,464	64,555	5.3
Annual Average	1985	1,237,000	1,176,000	62,000	5.0

01/11/89 Kansas Department of Human Resources, Research and Analysis Section, phone (913) 296-5058. Developed in cooperation with the U. S. Bureau of Labor Statistics.

Table 8 (Cont.)
 State of Kansas Labor Force History Jan '78--Nov '88
 Place of Residence Data

Period	Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
January	1986	1,201,929	1,132,340	69,589	5.8
February	1986	1,210,175	1,136,154	74,021	6.1
March	1986	1,223,461	1,151,174	72,287	5.9
April	1986	1,233,890	1,167,447	66,443	5.4
May	1986	1,246,885	1,179,449	67,436	5.4
June	1986	1,260,587	1,194,225	66,362	5.3
July	1986	1,236,446	1,169,077	67,369	5.4
August	1986	1,230,712	1,166,910	63,802	5.2
September	1986	1,245,157	1,183,841	61,316	4.9
October	1986	1,245,331	1,182,965	62,366	5.0
November	1986	1,248,652	1,184,352	64,300	5.1
December	1986	1,248,777	1,180,067	68,710	5.5
Annual Average	1986	1,237,000	1,169,000	67,000	5.4
January	1987	1,220,596	1,143,529	77,067	6.3
February	1987	1,238,321	1,164,614	73,707	6.0
March	1987	1,256,423	1,185,045	71,378	5.7
April	1987	1,263,458	1,202,157	61,301	4.9
May	1987	1,278,003	1,217,498	60,505	4.7
June	1987	1,293,100	1,231,231	61,869	4.8
July	1987	1,277,887	1,219,403	58,484	4.6
August	1987	1,268,831	1,212,542	56,289	4.4
September	1987	1,278,123	1,225,205	52,918	4.1
October	1987	1,282,263	1,229,678	52,585	4.1
November	1987	1,270,351	1,215,958	54,393	4.3
December	1987	1,276,644	1,213,139	63,505	5.0
Annual Average	1987	1,267,000	1,205,000	62,000	4.9
January	1988	1,249,873	1,180,101	69,772	5.6
February	1988	1,269,967	1,199,630	70,337	5.5
March	1988	1,284,771	1,221,039	63,732	5.0
April	1988	1,290,227	1,236,303	53,924	4.2
May	1988	1,302,565	1,249,710	52,855	4.1
June	1988	1,306,714	1,250,011	56,703	4.3
July	1988	1,284,533	1,224,702	59,831	4.7
August	1988	1,277,007	1,223,660	53,347	4.2
September	1988	1,282,709	1,230,022	52,687	4.1
October	1988	1,294,926	1,239,382	55,544	4.3
November	1988	1,326,938	1,265,650	61,288	4.6

You may file an appeal in person or by mail by contacting any Unemployment Insurance or Job Service Office of the State of Kansas or any other state. Your former employer is also an interested party to your claim and has the same appeal rights as you.

If you file an appeal and remain unemployed, you should continue to file weekly claims pending the results of the appeal.

14. CAN I FILE A CLAIM AGAINST ANOTHER STATE?

You may file a claim against any state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands and Canada.

If you have wages in two or more states, you may request the wages be combined by transfer to the state in which you file your claim. If you want more information on a combined wage claim, contact the claims representative.

15. APPROVED TRAINING

You may be enrolled in vocational or technical training or basic education skills and receive unemployment insurance benefits provided that the training is approved. For additional information or to make application for approved training under the Kansas Employment Security Law, contact your nearest unemployment insurance claims representative.

16. UNEMPLOYMENT INSURANCE BENEFIT PAYMENTS REPORTABLE AS INCOME

Benefits are subject to income tax depending upon your tax filing status. The Internal Revenue Service can furnish complete information on how to report and compute the tax. The Department of Human Resources mails a statement, form 1099-UC, in January each year showing the amount of benefits paid to you.

17. RELEASE OF INFORMATION

Information in an unemployment insurance claim file is confidential and cannot be released without positive identification. Information from a claim file can be released to federal and state officials in the performance of their official duties for the purpose of income and eligibility verification. All public officials must hold the files or information confidential.

Important Points to Remember!

.... Do not accept hearsay information about unemployment insurance. If you are unemployed, go to your nearest Unemployment Insurance Office and file a claim.

.... When you have questions or do not understand something about unemployment insurance, ask the claims representative for help.

.... You do not need to employ anyone to help you in securing your rights to unemployment insurance. A claims representative will accept your claim and give you any information and help you may need.

.... If you work, you must report all earnings, including any vacation or holiday pay, for any week you file a claim. All earnings from employment are reportable when earned. You may earn 25% of your determined weekly benefit amount, up to a maximum of \$47, before your benefits are reduced for earnings from employment.

.... You must be careful to avoid making false statements when filing a claim. Do not accept unemployment insurance payments obtained by misrepresentation. Do not certify you were unemployed or available for work for a week if you were working. The law provides a severe penalty for this offense.

.... If you return to steady work, your claim becomes inactive. If you again become unemployed, you must report to an unemployment insurance claims representative to re-open your claim. The mailing of a weekly claim form does not re-open your claim.

.... If you plan to be away from your home area and intend to continue filing weekly claims, contact your claims representative for filing instructions. If you move to another state, contact the nearest Unemployment Insurance Office and they will assist you in filing a claim. Take with you all claim documents that have been mailed

to you.
1-19-89
I
II
III
IV
V
VI
VII
VIII
IX
X
XI
XII

Kansas Unemployment Insurance Offices

DISTRICT U.I. OFFICE NO. 1
552 State Avenue
Kansas City, Kansas 66101-2464
(913) 281-3800

DISTRICT U.I. OFFICE NO. 2
8417 Santa Fe Drive
Overland Park, Kansas 66212-2749
(913) 341-9307

DISTRICT U.I. OFFICE NO. 3
1430 S.W. Topeka Boulevard
Topeka, Kansas 66612-1880
(913) 296-1724

DISTRICT U.I. OFFICE NO. 4
203 N. Tenth, P.O. Box 1817
Salina, Kansas 67402-1817
(913) 827-0395

DISTRICT U.I. OFFICE NO. 5
501 E. Pawnee, P.O. Box 16900
Wichita, Kansas 67216-0900
(316) 262-3242

DISTRICT U.I. OFFICE NO. 6
518 N. Washington, P.O. Box 1799
Hutchinson, Kansas 67504-1799
(316) 669-8181

DISTRICT U.I. OFFICE NO. 7
402 E. Second, P.O. Box 877
Wichita, Kansas 67201-0877
(316) 266-8620

DISTRICT U.I. OFFICE NO. 8
705 N. Locust, Drawer A
Pittsburg, Kansas 66762-0605
(316) 232-2080

KANSAS DEPARTMENT OF HUMAN RESOURCES
INTERSTATE CLAIMS OFFICE
401 S.W. Topeka Boulevard
Topeka, Kansas 66603-3182
(913) 296-3075

This pamphlet is for information purposes only and does not have the force or intent of law.

State of Kansas

Unemployment Insurance Benefits

1. WHAT IS UNEMPLOYMENT INSURANCE?

This insurance is also known as unemployment compensation. It insures your wages so that you may have an income on a reduced basis when temporarily without a job.

In Kansas the worker pays nothing toward unemployment insurance coverage. The employer pays all of the cost in the form of a payroll tax. Unemployment insurance is not a part of Social Security nor is it a welfare program.

2. CAN ANYONE MAKE APPLICATION FOR BENEFITS?

Yes. To have your application allowed, however, you must have sufficient wages from insured employment. This means work for an employer who is required to pay the taxes on your wages into the unemployment trust fund. This can also include military service of the armed forces of the United States and civilian employment with an agency of the Federal Government.

3. HOW DO I QUALIFY FOR BENEFITS?

You must have received wages from insured employment in at least two (2) quarters of your base period, and those wages must equal thirty (30) times your weekly benefit amount (see item 6).

4. WHAT IS THE BASE PERIOD?

The base period is 12 months in duration. Wages from insured employment paid to you during this 12-month period are used to determine your weekly and total benefit amounts. Base periods are as follows:

If your claim is effective in:	The base period is the 12 months ending last:
January, February, March	September 30
April, May, June	December 31
July, August, September	March 31
October, November, December	June 30

NOTE: Wages are assigned to a quarter as they are paid, not when they are earned.

5. WHAT IS THE BENEFIT YEAR?

This is the one year period in which you may claim benefits. The benefit year usually begins on the Sunday preceding the filing date of your application. If you live in an area normally serviced by this agency on a monthly basis, back dating may be allowed under certain conditions.

6. WHAT IS THE WEEKLY BENEFIT AMOUNT?

This is the amount you may receive for a week of total unemployment. This amount is determined by multiplying your highest quarter wages by 4.25 percent. If this figure is higher than the current maximum weekly benefit amount, the maximum weekly benefit amount becomes your weekly benefit amount. If the figure is less than the current minimum weekly benefit amount, then the minimum weekly benefit amount becomes your weekly benefit amount. The maximum and minimum weekly benefit amounts are established each year by the Secretary of Human Resources in accordance with the Employment Security Law. Your unemployment insurance determination states the current amounts.

7. WHAT IS THE TOTAL BENEFIT AMOUNT?

The total benefit amount is the dollar amount you may receive during your benefit year. This is determined by: (1) Multiplying your weekly benefit amount times 26; (2) Divide the total of your base period wages by three. Compare these two answers. Your total benefit amount is the lesser of these two answers.

8. HOW SOON WILL I KNOW IF I CAN DRAW BENEFITS?

Ordinarily, within four working days a determination is mailed. This determination shows the dollar amounts that can be paid to you. If there are errors or incomplete information on the new claim form, additional time may be needed. Usually, your first check is mailed in the third week after the new claim is filed, if eligible and not disqualified.

9. WHAT IS A WAITING PERIOD AND HOW DO I GET WAITING PERIOD CREDIT?

A waiting period week is usually the first week claimed after filing a new claim. You must serve and claim this week since the law requires it. You can be allowed waiting period credit by meeting the usual eligibility requirements. A waiting period week can be allowed during some of the disqualifications. The waiting period week is a nonpayable week.

10. WHEN MAY I BE ELIGIBLE FOR UNEMPLOYMENT INSURANCE BENEFITS?

You may be eligible for benefits if:

- You register for work with the Employment and Training Center.
- You serve and claim a one-week waiting period.
- You are unemployed. This means having no work at all; or work less than a full week and have gross wages of less than your weekly benefit amount.
- You are able to work. This means being able to perform your usual occupation or other work for which you are reasonably fitted by experience or training.
- You are available for work. To be available you must show that you desire a job and demonstrate this by seeking work.

11. WHAT IS A DISQUALIFICATION AND WHEN WOULD THIS APPLY TO ME?

Even though you meet the other requirements, you may be disqualified from receiving benefits under certain provisions of the Law. A disqualification suspends or denies payments when you are unemployed because of your own act; are claiming or receiving benefit payments under unemployment insurance law of another state law or federal law; or when fraudulent claims are filed. Disqualifications are explained as follows:

a. You are disqualified beginning with the day after the separation until you become reemployed and have insured earnings of at least three times your determined weekly benefit amount if you:

(1) Voluntarily leave work without good cause attributable to the work or the employer.

There are eleven specific exceptions whereby benefits can be payable. Ask your claims representative for further information.

(2) Were discharged for misconduct connected with the work.

There are some specific circumstances that are not disqualifying. Ask your claims representative for further information.

(3) Failed without good cause to apply for or to accept suitable work when offered by the employment office or an employer.

b. You are disqualified if you were discharged for gross misconduct connected with the work until you are reemployed and have insured earnings of at least eight times your determined weekly benefit amount. In addition, all wage credits earned from the employer who discharged you for gross misconduct are cancelled.

c. You can be disqualified for a period of one year for making false statements or for withholding information to obtain more benefits than due.

d. Indefinite disqualifications -- you are denied benefits for each week in which:

(1) You are unemployed because of a labor dispute in which you are interested, participating or financing.

(2) You are claiming or receiving unemployment insurance benefits under another state or federal law.

(3) You are receiving compensation for temporary or permanent total disability under the Workers Compensation Law of a state or the United States.

e. Other disqualifications:

(1) Employees of Educational Institutions -- many employees of educational institutions are disqualified from benefits between terms if they had a contract or reasonable assurance for their work in a recently completed academic year or term and have a contract or reasonable assurance of employment with an educational institution in the same or similar position for the next academic year or term.

(2) School bus or other motor vehicle drivers employed by a private contractor to transport pupils, students, and school personnel to or from school-related functions or activities for an educational institution are disqualified for benefits between academic years or terms if they have a contract or reasonable assurance of employment with a private contractor for the next academic year.

(3) Employees of governmental entities and certain nonprofit organizations that provide services to

or on behalf of an educational institution are disqualified for benefits between academic years or terms if they have a contract or reasonable assurance of employment for the next academic year or term.

(4) Professional Athletes -- Unemployment insurance benefits based on wage credits earned as a professional athlete are not available between seasons to individuals who have been employed in the past sports season as a professional athlete and have a reasonable assurance of being again employed as a professional athlete in the following sports season.

(5) Illegal Aliens -- Unemployment insurance benefits based upon wages earned while working in the United States illegally are not available when unemployed. Information concerning alien status is required.

(6) Pensions, Retirement Pay, etc. -- Your weekly benefit amount is reduced by the amount contributed to by the employer if you are receiving a governmental or other pension, retirement or retired pay, annuity or other similar periodic payment under a plan maintained by a base period employer.

(7) Students -- An individual who is registered at and attending an established school, training facility or other educational institution, or is on vacation during or between two successive years or terms is disqualified for benefits unless, concurrent with attending school, the individual engaged in full-time employment or is attending approved training.

12. WHAT IS AN INELIGIBILITY?

(1) You are not able to perform the duties of your customary occupation or the duties of other occupations for which you are reasonably fitted by training or experience.

(2) You do not pursue a full course of action most reasonably calculated to result in reemployment.

13. WHAT APPEAL RIGHTS DO I HAVE?

If you are determined ineligible or are disqualified for benefits, or your benefits are reduced or denied for any reason, you are mailed a notice in writing stating the reason for the determination. You may file an appeal to a referee within 16 days from the date any determination was mailed to you.

If you disagree with the decision of the referee, you may make further appeal to the Board of Review and then on to the courts. The appeal must be made within 16 days.