

Approved: 3/28/97  
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:05 a.m. on March 11, 1997 in Room 526-S of the Capitol.

All members were present except: Rep. David Adkins - excused  
Rep. Dale Swenson - excused

Committee staff present: Jerry Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Bev Adams, Committee Secretary

Conferees appearing before the committee: Linda Tierce, KDHR  
Wayne Maichel, Kansas AFL/CIO

Others attending: See attached list

Hearing on: **SB 83 - Recoupment of food stamp overissuances.**

Linda Tierce, Chief of Unemployment Insurance Benefits, Kansas Department of Human Resources (KDHR), appeared before the committee to report on the bill. It contains minor language changes to broaden the means by which claim notices can be delivered to an employer and by which employer information can be returned to the department. The bill also contains several amendments to the Employment Security Law that would bring State law into conformity with federal legislation. (see Attachment I) She concluded her report by answering questions from the committee.

Chairman Lane read the fiscal note for **SB 83** and the committee discussed with Ms. Tierce what the costs would be to her department.

Wayne Maichel, Kansas AFL/CIO, appeared before the committee as a member of the Employment Security Advisory Council. The Council voted unanimously to recommend the bill favorably to the Legislature. He pointed out that the Senate had made one change after this recommendation but all other changes were approved by the Council.

No others were present to testify for or against the bill and Chairman Lane closed the hearing.

The meeting was adjourned at 9:16 a.m.

The next meeting is scheduled for March 12, 1997.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE  
GUEST LIST

DATE: March 11, 1997

NAME	REPRESENTING
Wayne Maish	MS. AFL-CIO
Kandy Shortle	SRS
PAUL BICKNELL	KDHR
LINDA TIERCE	KDHR
Bill Lays	KDHR

TESTIMONY

BUSINESS, COMMERCE AND LABOR COMMITTEE

Senate Bill 83

March 11, 1997

Good morning Mr. Chairman and Members of the Committee. My name is Linda Tierce and I am the Chief of Unemployment Insurance Benefits representing the Kansas Department of Human Resources. I appear before you today to report on Senate Bill 83 which contains several amendments to the Employment Security Law.

The minor language changes found on pages 1 and 8 amend K.S.A. 44-709 and 44-710 to broaden the means by which claim notices can be delivered to an employer and by which employer information can be returned to the department. The language has been broadened to include such devices as facsimile machines and electronic mail.

The language found on page 16 adds a new subsection (f) to 44-718 to provide for a food stamp exception.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, was enacted on August 22, 1996. This legislation, popularly known as the "welfare reform" bill, allows a state food stamp agency to collect

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Attachment 1*

any overissuance of food stamp coupons issued to a household by withholding amounts from unemployment insurance benefits payable to a member of the household as provided under Section 13(c) of the Food Stamp Act.

It is important to note in the new language under section (6), starting at line 40 on page 16 of the Senate bill, that this section applies only if arrangements have been made for reimbursement by the state food stamp agency for the administrative costs incurred by the secretary under this section which are attributable to the repayment of uncollected overissuances to the state food stamp agency.

Since all state employment security laws contain provisions which prohibit the attachment of unemployment insurance benefits, it is necessary that the state law be amended to accommodate the state food stamp agency. The language in the new subsection (f) was provided by the U.S. Department of Labor and will assure that unemployment insurance conformity requirements are met.

For the new members on this committee, federal sanctions can be levied against Kansas if state laws or agency practices are not consistent with federal requirements.

Under the Federal Unemployment Tax Act, commonly known as FUTA, which is found in the Internal Revenue Code of 1986, the U. S. Department of Labor levies a tax of 6.2% on employer payrolls. A 5.4% offset credit is extended to Kansas employers as long as the Kansas Employment Security Law remains in conformity with federal legislation.

Federal authorizing statutes are found in FUTA and in Titles III and IX of the Social Security Act. These measures require that each state establish and operate an Unemployment Insurance program which conforms to federal statutes, rules, and regulations. Conformity is ensured through the funding process and through the above mentioned offset provisions for Kansas employers. Nonconformity would result in lost employer tax credits and reduced administrative funding.

In conclusion, each year the Employment Security Advisory Council considers suggestions from Department staff as to desired or necessary changes to the Employment Security Law. Again, for the new members, the Employment Security Advisory Council is composed of 12 members, four of whom come from the labor field, four from the employer community, and four from the public sector. The term of appointment for

members is four years, and the terms are staggered. The Council recently voted Wayne L. Franklin, Secretary of Human Resources, as Council Chairman and Reggie Davis, Director of Employment Security, as Vice-chairman. The Council meets as needed on the call of the Chairman. The law states that the council "shall aid the secretary in formulating policies and discussing problems related to the administration of this act and in securing impartiality and freedom from political influence in the solution of such problems".

In its recent meeting, the Council voted unanimously to forward to the Legislature the above mentioned changes to the Employment Security law with a favorable recommendation.

This concludes my testimony. I will be pleased to answer any questions you may have at this time.