

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:10 a.m. on January 11, 2001 in Room 521-S of the Capitol.

All members were present except: Rep. John Ballou - excused  
Rep. Melany Barnes - excused  
Rep. Frank Miller - excused  
Rep. Rick Rehorn - excused

Committee staff present: Jerry Donaldson, Legislative Research Department  
Bev Adams, Committee Secretary

Conferees appearing before the committee: Roger Aeschliman, KDHR  
Phil Harness, KDHR  
Bill Layes, KDHR

Others attending: See attached list

**Presentation by Department of Human Resources - continued**

Chairman Lane opened the meeting by introducing Roger Aeschliman, Deputy Secretary of the Kansas Department of Human Resources (KDHR). Several people from the department returned to finish the presentation that was started yesterday. Mr. Aeschliman introduced Phil Harness, Director of the Division of Workers Compensation, KDHR.

Mr. Harness gave a brief overview of the Division of Workers Compensation. He explained the organizational chart of the division that he furnished to the members and gave a short explanation of the jobs that each section performs. He answered questions of the committee as they came up throughout his presentation. (See Attachment 1)

One subject that came up was the new Federal Ergonomics Regulations which takes effect on January 15, 2001. It would involve paying a higher percentage rate for claims. They are taking a wait and see approach to this and other new federal regulations that are taking effect.

Mr. Harness also updated the committee on what they have done to come into compliance with the deficiencies that were found in the division and published in the February 1999 Post Audit Report.

Bill Layes, Chief of Labor Market Information Services, KDHR, explained the function of his division. They administer five programs in a cooperative agreement with the U. S. Department of Labor, Bureau of Labor Statistics with regional offices located in Dallas and Kansas City. Their division is responsible for collecting, analyzing and publishing data that relate to all facets of the labor market. Most of the information can be found on their website at: <http://laborstats.hr.state.ks.us> Mr. Layes answered several questions about unemployment rates and the Trust Fund. (See Attachment 2)

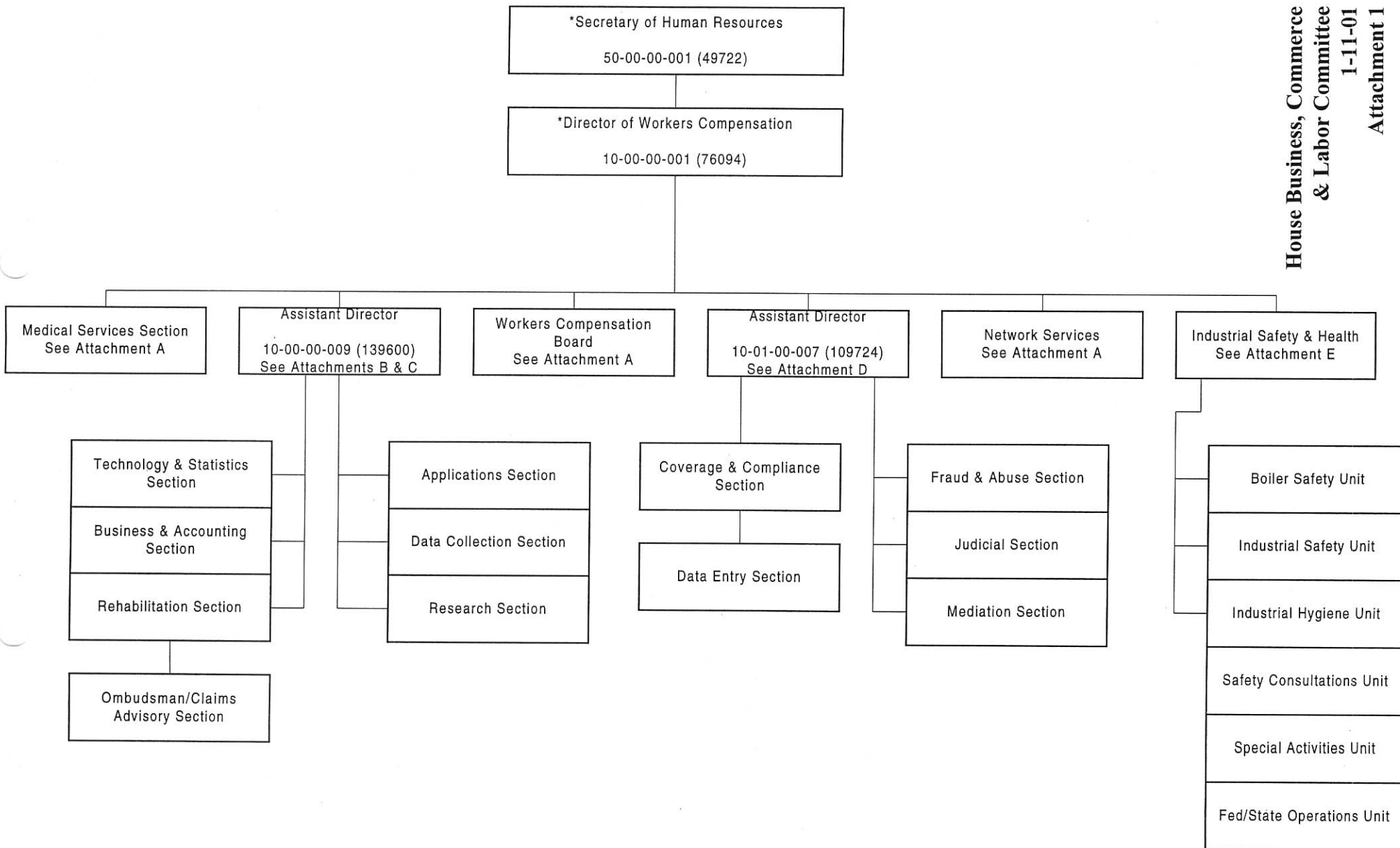
Chairman Lane adjourned the meeting at 10:00 a.m. The next scheduled meeting will be Wednesday, January 17, 2001.



Organizational Chart  
 Kansas Department of Human Resources  
 DIVISION OF WORKERS COMPENSATION

September, 2000

House Business, Commerce  
 & Labor Committee  
 1-11-01  
 Attachment 1



Approved by: 

**COMMENTS**  
**WILLIAM H. LAYES, CHIEF**  
**LABOR MARKET INFORMATION SERVICES**  
**January 10, 2001**

Good morning, ladies and gentlemen. It is my pleasure to appear before you this morning. Our department is the Labor Market Information Services division. The section is responsible for most of the labor statistics for the state of Kansas. We administer five programs in a cooperative agreement with the U. S. Department of Labor, Bureau of Labor Statistics with regional offices located in Dallas and Kansas City. We furnish information on;

1. Unemployment rates for each of the 105 counties and metropolitan statistical areas in the state,
2. Occupational wage surveys,
3. Occupational projections of supply and demand,
4. Information on employment and wages paid by 70,000 Kansas employers,
5. Monitor the Kansas unemployment insurance program and provide legislative support for modifications to that law,
6. Planning information for local Workforce and economic development Boards.

Most of the information can be found on our website at:

<http://laborstats.hr.state.ks.us>

If at anytime I can be of help with respect to employment or unemployment statistics or questions, you can reach me at

**Kansas Department of Human Resources**  
**401 S.W. Topeka Blvd.**  
**Topeka, KS 66603-3182**  
**296-5058-office**  
**296-5286-fax**  
**wlayes@hr.state.ks.us**

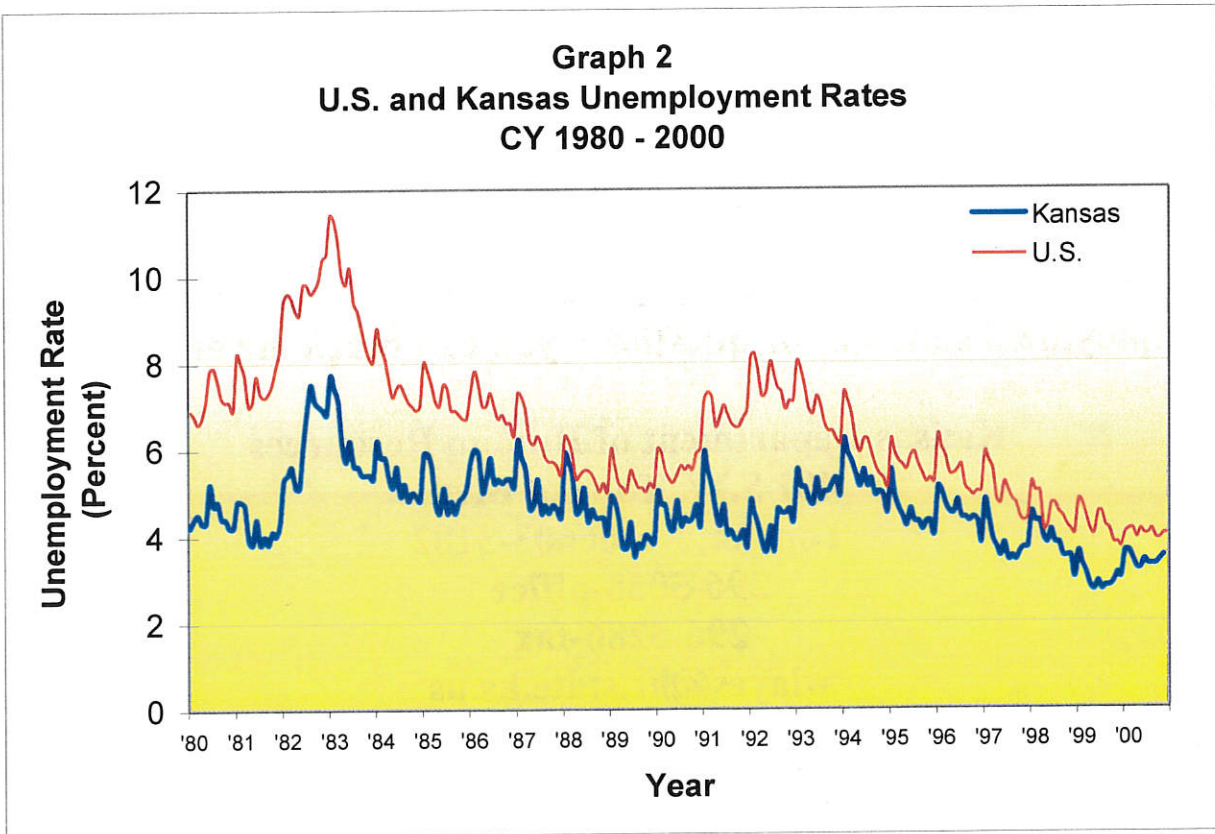
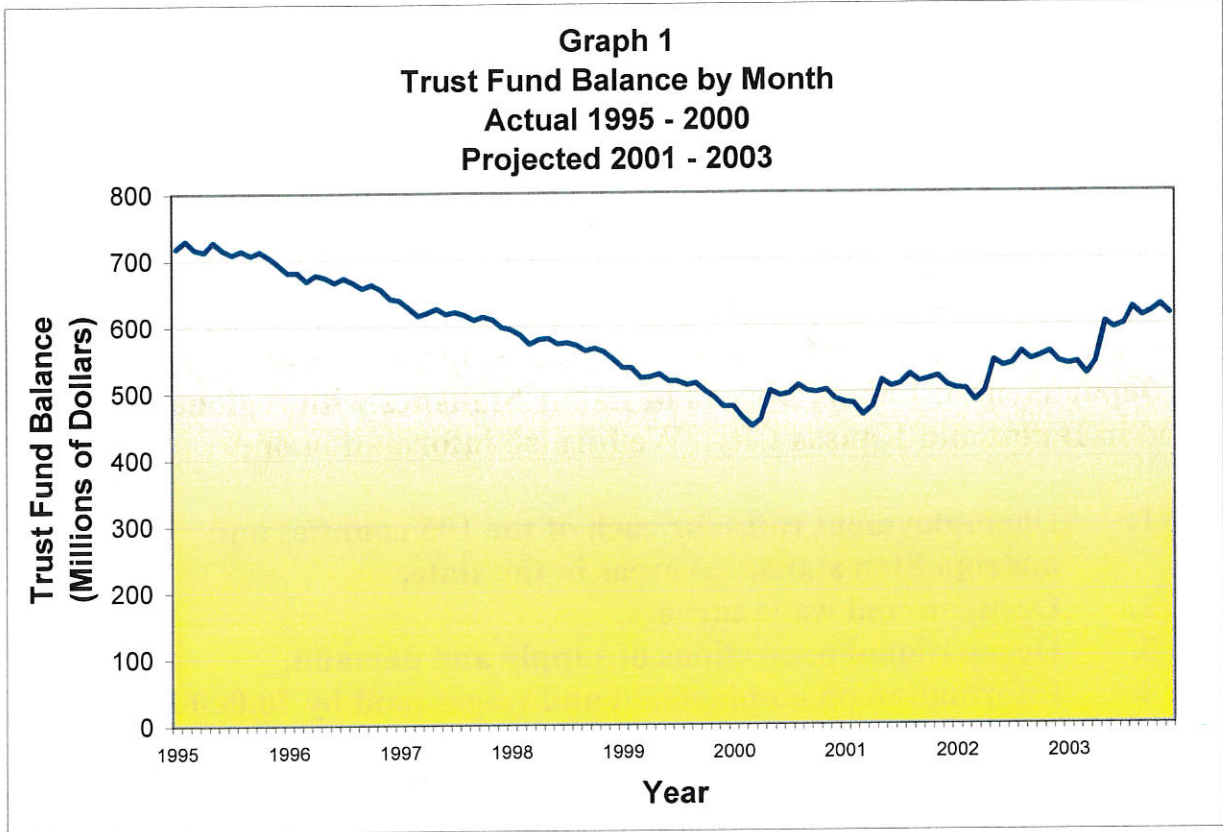
Thank you for the opportunity to appear before you today.

House Business, Commerce & Labor Committee

1-11-01

Attachment 2





**KEY FACTS**  
**KANSAS UNEMPLOYMENT INSURANCE**  
**FISCAL YEARS 2000 - 1999**  
**PRELIMINARY**

Item	Fiscal Years		Per Cent Change
	2000	1999	
Kansas liable initial claims . . . . .	107,284	105,155	2.0
Intrastate . . . . .	101,563	97,660	4.0
Interstate . . . . .	5,721	7,495	-23.7
Kansas liable continued claims . . . . .	776,821	695,478	11.7
Intrastate . . . . .	730,620	641,210	13.9
Interstate . . . . .	46,201	54,268	-14.9
Kansas agent initial claims . . . . .	713	1,092	-34.7
Kansas agent continued claims . . . . .	18,578	18,542	0.2
Annual unemployment insurance payments:			
Number of weeks compensated . . . . .	696,351	637,134	9.3
Amount of benefit payments . . . . .	\$168,471,757	\$139,450,998	20.8
First payments . . . . .	49,745	50,967	-2.4
Final payments . . . . .	15,367	13,438	14.4
Per cent of first payments (six months lag) . . . . .	29.0	27.3	NA
Average weekly benefit amount (WBA) (All) . . . . .	\$241.94	\$218.87	10.5
For total unemployment . . . . .	\$246.31	\$223.26	10.3
Average weekly covered wage . . . . .	a/	\$518.58	a/
Ratio of average WBA to average weekly covered wage . . . . .	a/	42.2	NA
Average covered employment . . . . .	a/	1,268,987	a/
Average weekly insured unemployment . . . . .	15,000	14,008	7.1
Per cent of average covered employment . . . . .	a/	1.1	NA
Average actual compensable duration (weeks):			
All claimants . . . . .	14.0	12.5	12.0
Exhaustees . . . . .	22.4	21.9	2.3
Number of liable employers, end of year . . . . .	b/	66,314	b/
Monetary determinations . . . . .			
Ineligible . . . . .	78,296	67,162	16.6
Per cent . . . . .	10,235	9,218	11.0
Per cent . . . . .	13.1	13.7	NA
Eligible . . . . .	68,061	57,944	17.5
Per cent qualifying for:			
Maximum WBA . . . . .	41.0	37.9	NA
Maximum duration . . . . .	58.5	55.9	NA
Maximum total award . . . . .	34.4	31.1	NA
Average WBA . . . . .	\$240.44	\$226.51	6.1
Average potential duration (weeks) . . . . .	23.3	23.1	0.7
Eligibility-disqualification determinations (other than base period wages) and redeterminations . . . . .			
Disqualified . . . . .	55,366	51,892	6.7
Disqualified . . . . .	27,707	27,030	2.5
Per cent of total determinations . . . . .	50.0	52.1	NA
Status of reserves:			
Balance, start of year . . . . .	\$515,726,074	\$572,224,276	-9.9
Net income: Contributions . . . . .	\$103,198,337	\$41,900,117	146.3
Interest received . . . . .	\$33,062,008	\$37,815,901	-12.6
Net disbursements . . . . .	\$158,383,538	\$136,214,220	16.3
Balance, end of year . . . . .	\$493,602,881	\$515,726,074	-4.3

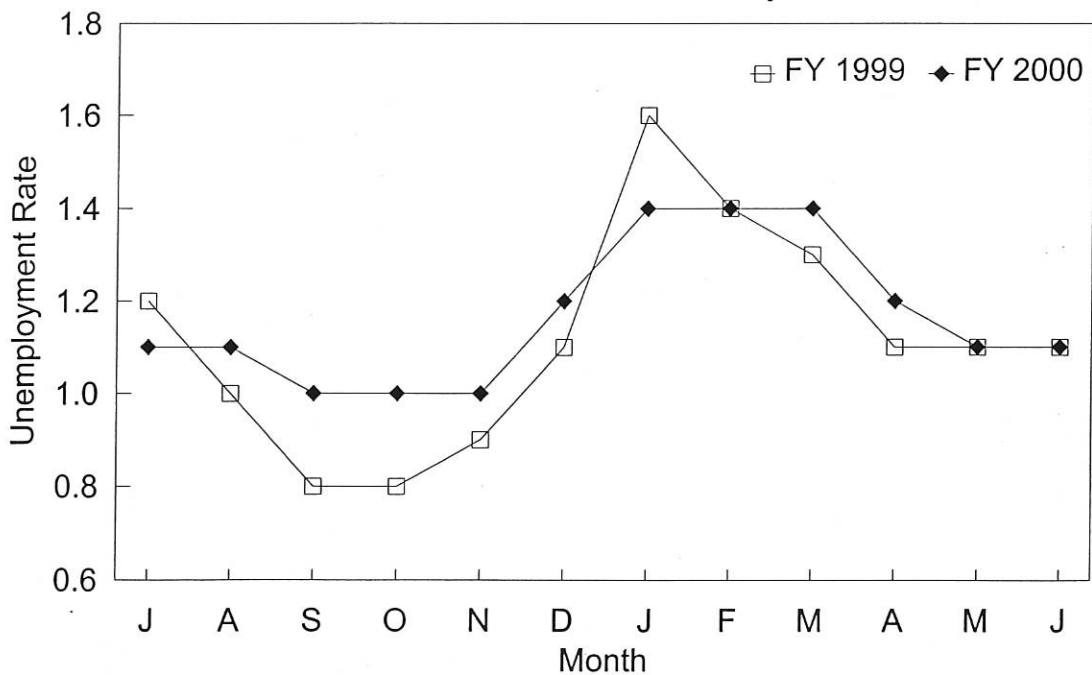
NA Not Applicable

a/ To be published upon receipt of second quarter ES-202.

b/ Not Available

The average insured unemployment rate (IUR) rose from 1.1 per cent in SFY 1999 to 1.2 per cent in 2000. With the exception of two months, January and July, IUR's in the current year equaled or exceeded those in the prior year. Benefit payments totaled \$168.5M in SFY 2000, up 20.8 per cent from the \$139.4M reported in 1999. Monetary reserves in the state's trust fund stood at \$493.6M on June 30, 2000, a decline of 4.3 per cent from a year earlier. With the expiration of the tax moratorium, in effect from 1995 – 1999, the fund is expected to sustain annual growth in the range of 6.7 per cent from 2000 through 2002.

Insured Unemployment Rates  
SFY 1999 and SFY 2000 by Month



Kansas Department of Human Resources  
Labor Market Information Services  
August 2000