

MINUTES OF THE SENATE BUSINESS AND LABOR COMMITTEE

The meeting was called to order by Chairman Susan Wagle at 8:30 a.m. on February 19, 2010, in Room 548-S of the Capitol.

All members were present except:

Senator Jay Emler - excused

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Kathie Sparks, Kansas Legislative Research Department
Mr. Ken Wilke, Kansas Office of the Revisor of Statutes

Conferees appearing before the Committee:

Mr. Jim Garner, Secretary, Kansas Department of Labor

Others attending:

See attached list.

Action on bills concerning the employment security act

Upon calling the meeting to order, Chairperson Wagle stated in the Committee's last meeting of February 17, they were reviewing the Employment Security Advisory Council (ESAC) recommendations, one being the surcharge placed on business that was put in place, per federal requirement, to help pay back the interest on the money borrowed. She then called on Mr. Jim Garner, Secretary, Kansas Department of Labor, who first wanted to recap his opinion of what he is seeing right now, especially three issues:

- 1.) Is the Legislature going to provide any immediate relief regarding the taxpayers this year?
- 2.) The second is more of a long term option to deal with the solvency of the trust fund, and this is where the three recommendations from ESAC were made.
- 3.) The third is the assessment needed to pay interest on the loans from the federal government. He said in the last meeting, a recommendation or resolution was made urging Congress to waive the accrual of interest for another year and the Chair was correct that the assessment needed to pay interest on the above loan.

He then offered prior testimony listing the ESAC recommendations while stating that the Chair was correct in stating that federal law requires that there be a separate funding stream to pay the interest, something separate and different from unemployment taxes. The Chair stated that what they had also learned is that every payment that goes into the unemployment trust fund has to go out in benefits only, it cannot pay salaries, purchase a computer, it can't run the Department. Secretary Garner agreed stating the administrative operations are all funded by a separate grant from the US Department of Labor and on the second page of the ESAC's recommendations, the report handed out at the February 10, 2010 meeting, is a suggestion to do an assessment that would be just be a flat rate percentage on tax rates for all employers to collect whatever money is necessary to pay the interest payment for that year. A copy of Secretary Garner's testimony from the February 10, 2010 meeting is (Attachment 1) attached and incorporated into the Minutes as referenced.

The Secretary then offered a chart that KDOL had prepared and shared with ESAC, entitled "Projected Interest Payments & FUTA Credit Reductions, Kansas - 2010 to 2030," showing right now the estimate of interest that is going to be due each year until 2017. The chart also indicates what they would project right now based on current forecast, what the flat rate would have to be to collect the amount of money needed to cover that interest payment. A copy of the chart is (Attachment 2) attached and incorporated into the Minutes as referenced.

Questions came from Senators Brownlee, Lynn, Kelsey, Wagle and Schodorf for the Secretary including:
- Does the amount of the percentage on surcharge fluxuate, and is it not capped at a certain amount? Answer: It is whatever is needed to raise the amount of money to pay the interest payment for that year and can be more than what is needed.

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- Do you assess yearly so that with each quarter payment goes in from the employer? Are you going to send out notice at the beginning? Answer: The language in the Legislation that is being drafted, the notice on the assessment would go out with the regular tax notice that is sent out in December of every year.

- Regarding interest, isn't it dependent on how much we borrow and are we certain of how much we are borrowing or do we kind of know that after the fact? Answer: At this time, this is what our estimation is, but when we get closer to sending out notices at the end of the year, we will have a better feel of what we have borrowed.

- Can you clarify, when we borrow the money, is this a "just-in-time" fashion and so this is why we don't know how much we are going to borrow? Answer: It is a dynamic situation because we will borrow on a day-to-day basis plus we also have money coming in.

The Chair then stated, with two options before them, the Committee can implement now and there would be a surcharge put in place for the employers starting in 2011 or they could not implement it and we would have to implement it during the next legislative session and employers would get notice with the first payment due the second or third quarter depending when it is signed into law because KDOL has to make the payment by September. Answer: Secretary Garner said it would be whatever that mechanism would be that would be implemented for that bill, whether it is retroactive, or just starting now going forward from whatever time it is enacted.

The Chair then asked if the Committee would like to enact the surcharge in the bill? She said, for planning purposes, in her opinion, it would be a lot easier on businesses to be notified in December 2010 of the surcharge they owe in 2011. Senator Schodorf asked when this would go into effect? The Chair answered if they implemented now, it would go into effect January 2011 and if they don't do it now, they would have to do it next session or there will be a federal penalty.

Senator Brownlee asked if they are putting the above in the same bill that they are doing the 2010 rates because some of them thought they should consider some type of benefit reduction to go into effect at the same time? The Chair stated yes, this is where they are at now, we can see how things evolve next week and with the Governor out of town until next week, thinks they can put together a work product and let it sit on the table for a couple of days, She said these are all in one bill and are the concepts the Senate thinks provide a balanced approach to the entire program.

Senator Reitz made a motion to add the Kansas Department of Labor's language. It was seconded by Senator Lynn and the motion carried.

The Chair stated another concept from the ESAC recommendations was a two-year cap on an increase in benefits. To clarify, Secretary Garner said this package of recommendations are being introduced as one bill and his position is that they need to be together. The Chair referred to handouts the Committee received when the businesses testified about the benefits that are paid in the state of Kansas per week in comparison to other states in the midwest and testimony to the fact that businesses are having trouble with people applying for jobs and their estimation that benefits are high, so as stated above ESAC, recommended holding the benefits steady for two years.

A motion was made by Senator Kelsey to adopt the ESAC recommendation of a two-year cap in an increase in benefits. It was seconded by Senator Lynn.

The Chair called for discussion which came from:

- Senator Holland said his only concern was remembering Secretary Garner's comments stating the three recommendations were adopted as a package, so he is starting to feel very uncomfortable taking these items one by one without having a package concept before them, so he will be voting no on the motion.

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- Senator Schodorf stated she is opposed to the increase in the taxable wage base at this time. Our goal is to help businesses short term and then come up with a long term solution. She believes they need to have runs to see what effect the taxable wage base would be to bring it up to \$9K or \$10K and balance it across the year, but the areas she thinks would be good are cutting the tax rates to 2010 and freezing the benefits, but raising the wage base would send a message, even though we are trying to cut, that we really don't care.

The Chair said this is why she wanted to deal with each concept one step at a time and has chosen to be very careful that Committee members vote on each concept. Senator Holland looks at this as two different activities, one is to address some immediate relief for employers and then we have to talk about long term solvency and feels that where we are going with this so far, we are putting both in there, and would like to have more information on numbers, similar to what Senator Schodorf is talking about.

The Chair stated clearly they can send through the House bill and the Governor will sign a tax cut for all businesses implemented in April of this year and then the next administration comes in to total chaos and collapse of the unemployment fund because we did not have a balanced approach. We are talking about already borrowing a projected \$750M without that bill another \$50M projected next year with that bill and potentially \$150M that we borrow by cutting the rates at a time when the fund is already in the hole and why it is the Chair's will that we deal with each concept and try to come up with a balanced approach.

She said the Committee is still on the motion to cap the benefits as ESAC recommended for two years and asked for a vote. The motion carried.

The Chair stated the next concept in the ESAC recommendations is to increase the wage base to \$9K in 2011, and \$10K in 2012, asking for discussion which came from Senators Reitz, Brownlee, and Wagle, and Secretary Garner including: with the surcharge going into effect in 2011 do not think we should not increase the taxable wage base in 2011 however, it could be visited next year to determine if we needed to increase it for 2012, but to increase that taxable wage base plus the surcharge, we are kind of giving a double hit to the employers and how important is this because we are looking for a balance approach? The Chair said that employers fear what comes next and asked for feedback from Secretary Garner who said KDOL has already worked with ESAC to calculate figures and provide breakdowns of what each component of each section would generate as far as revenues.

The Chair recalled that Secretary Garner had also testified that he would take the additional funds received by increasing the wage base, letting it bring in more money and apply it to our deficit. Senator Reitz asked if there would be a way to make it flexible for as often as every six months? The Chair stated typically employers get their statement in mid-December and they program their computers for the tax rates that apply for the entire year, and that is why there is another complication because programming payroll on computers for some businesses costs money, and once you have it programmed, it is difficult to go back in and change the rate.

She asked if there was a motion to accept this recommendation? Senator Emler made a motion to adopt the taxable wage base to \$9K in 2011 and \$10K in 2012. It was seconded by Senator Reitz and the motion did not pass.

The Chair recognized Senator Brownlee who asked if they would be allowed to go onto other issues that might not be on this saying one thing and if okay, to put into statute that the Secretary of Labor appear before every meeting of L.C.C. to provide an update on the fund during calendar years 2010 and 2011. Hopefully this would give them a greater awareness of what is taking place. It was seconded by Senator Lynn.

To reiterate, the Chair stated that they do have a two-year provision of cutting rates on the table and Senator Brownlee has also made a motion for a two-year provision requiring the Secretary of Labor to report to the

L.C.C. at every meeting, on the condition of the fund. It was seconded by Senator Lynn and as there was no discussion, the motion carried.

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The Chair said she wanted to go from the discussion of the ESAC recommendations which they have now completed, into a discussion on benefits including the waiting week. Senator Brownlee also asked if the waiting week could also be eliminated for two-years and if so, what dollar value would that be? Answer: Secretary Garner said in 2009 they calculated that the waiting week provision in current law was about \$14.2M.

The Chair then explained the concept of the waiting week stating before 2007, an employee could be laid off and apply for unemployment. And assuming that the next week they would apply for unemployment, they would start receiving benefits on the second week of unemployment, so there was no payment for that week they waited for unemployment benefits, but in 2007 as part of a compromise, it was added that they would pay the waiting week with the beneficiary being paid on the third week.

A discussion ensued with Senators Brownlee and Wagle and Secretary Garner including: receiving 86 weeks of unemployment, and an additional \$25.00 from the Recovery Act, both from the Federal Government, not from the State. A motion was made by Senator Brownlee to eliminate the waiting week for one year with the goal of drawing less money. It was seconded by Senator Lynn and the motion carried.

Next the Chair said another benefit the Committee looked at in this bill was the trailing spouse who has to leave their job to follow their family and they qualify for benefits. Senator Lynn made a motion to eliminate the trailing spouse benefit for one year to coordinate with the waiting week.

A discussion ensued with Senators Brownlee, Kelsey, Wagle, Lynn and Secretary Garner including: the effective date of the bill - enacted on statute of publication, can we impact it this year and next on both benefits, would KDOL have enough time to implement, implementing both the trailing spouse and waiting week for 2010 & 2011.

The Chair asked to go back to the motion on the waiting week and pick up the next motion and clarify when it would start and how long it would last. A motion was made by Senator Lynn to reopen the discussion on the waiting week and put a time line on that. It was seconded by Senator Emler and the motion passed.

A motion was made by Senator Kelsey to add the words "July 1, 2010 through December 31, 2011" to the motion that passed to eliminate the waiting week. It was seconded by Senator Brownlee and the motion passed.

The Chair then asked Senator Lynn if she would like to clarify the dates for the training spouse? Senator Lynn made a motion to eliminate the trailing spouse benefits starting July 1, 2010 through December 31, 2011. It was seconded by Senator Brownlee and the motion carried.

The third option on the benefits that they looked at was work force training where the employee can be paid for training and at the same time be receiving benefits. The Chair asked for discussion which came from Senators Lynn, Schodorf, and Wagle and Secretary Garner including: to clarify, this is not something that came down with the stimulus funds; there are two parts: the federal component and then the Legislature passed the workforce training where you could have three days of benefits and training and pay two days, but has yet to be implemented.

A motion was made by Senator Reitz to keep the law as it is currently written (not eliminating the work force training program). It was seconded by Senator Schodorf and the motion carried.

The Chair then stated one other thing that she is concerned about was they did not expect this number of unemployment claims to come in, and Secretary Garner stating how busy KDOL's Call Center was getting and programming it correctly that they do not have much time to audit these people to determine if they are truly seeking unemployment. She asked Secretary Garner what we can do to make sure these people are applying for jobs and seeking work? He said, KDOL does periodic audits, sending out forms with a random selection asking what jobs they have been looking for. They also received a Re-employment Assessment Grant from the US Department of Labor and are working with the Kansas Department of Commerce (KDOC)

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to implement to seek services on identifying people who are likely to exhaust unemployment benefits and to get those folks connected with the workforce services in a more intensive way to get them reconnected with the labor market.

Questions came from Chairperson Wagle including: what percentage of the people do you think you are auditing right now? Answer: He would get that information for her. How do they get connected to these services? Answer: With KDOL taking the recommendations of the Post Audit, if the person applies on line, they are automatically connected to the KDOC website and if by phone, they are sent a letter telling them they have an account with the workforce center and how to go about accessing these services. The Chair asked for a copy of the letter and restated that they need to make sure the audits are being done as they have received and heard testimony from employers that are clearly being told that applicants do not need the job because they are making more on unemployment and is there anything more that can be done on this auditing process?

The Chair announced that the House would be sending over their bill and the Committee has a work product and asked the Committee if there was anything else that they would like to address in this bill? Senator Brownlee said that one of the issues that she had brought up concerned the appeals process. (The lower level of appeals are heavily weighed in favor of the claimant than the higher level of appeals, 75% of those are decided in favor of the employer, but with the testimony they have heard. If this is the fair and just thing, then that is fine, but if not, it needs to be reviewed.) When an employer has done an appeal, how much time do they have to do the higher level of appeal?

Answer: Secretary Garner said 16 days and offered a memorandum answering the Committee's concerns or comments about the number of appeals "overruled" at the higher level of review. A copy of this handout is (Attachment 3) attached and incorporated into the Minutes as referenced.

The Chair also said that another concern that the Committee raised was the cost of part time wages, paying people who work part time. She then offered copies of two handouts provided by Ms. Kathie Sparks, Kansas Legislative Research Department, entitled:

1. "UI Modernization Incentive Payments - Approved Applications"
2. "MONETARY ENTITLEMENT"

A copy of both are (Attachment 4) attached and incorporated into the Minutes as referenced.

Senator Faust-Goudeau asked: employees at Wal-mart are part-time, so are we talking about those individuals? What type of message are we sending to employees of the State of Kansas? She also commented that she keeps hearing that people are turning down jobs and would like to have factual evidence, and if in fact that is happening, then these people need to be disqualified in receiving these benefits.

The Chair asked Secretary Garner if they can put in a reporting mechanism to help you with your auditing process where an employer could call saying they know someone has turned down a job and KDOL could follow up or Senator Faust-Goudeau also suggested when individuals are required to go out and apply for a job, perhaps there could be a system where that company could call KDOL.

As there was no further discussion, the Chair said she would like to meet one more time and wanted to know if the Committee would think about putting in an audit provision where an employer can report to KDOL a situation where someone has turned down a job.

Adjourned

As there was no further business, the Chair adjourned the meeting. The time was 9:27 a.m.

The next meeting is scheduled for March 3, 2010.

BUSINESS AND LABOR COMMITTEE GUEST LIST

DATE: 2-19-10

NAME	REPRESENTING
Bob Lierz	KDOL
Jim W. Jimmy	KDOL
Jim Garner	KDOL
Megan Proffenberg	KDOL
Martin Hauser	Hauser's Capital Reports
KEVIN DANIEL	TIBA
Maxine Carpenter	KS SHRM
Dan Murray	WFIB
Josie Kaufman	Ks Co-op Council
Bernie Koch	KEPC
Jen Bruner	OP Chamber
Rachelle Colombo	KS chamber
JEFF GUARDINO	✓
Kent Hiles	✓
Brend Koops	Hein Law Firm
Sean Miller	Capital Strategies
Kent Cornish	KAB
Mike Murray	Ks Food Dirs

22 + Comm

JEAN MILLER

CAPITAL STRATEGIES

Please continue passing

Thank you
Committee Secy.

**Testimony on the Recommendations by the
Employment Security Advisory Council
To Senate Business and Labor Committee**

**By
Jim Garner, Secretary
Kansas Department of Labor**

10 February 2010

Chairwoman Wagle and Members of the Committee:

Thank you for giving me the opportunity to share an update on the recent recommendations of the Employment Security Advisory Council.

The Employment Security Advisory Council (ESAC) is a group created by statute and is comprised of members from the business community, labor organizations and economists from our universities. They oversee matters concerning the Unemployment Insurance Trust Fund and provide insight and recommendations on the Employment Security laws and legislation in Kansas.

In August, this group was charged with providing recommendations and solutions regarding the Unemployment Insurance Trust Fund to the Labor Secretary. ESAC held its first meeting September 3, 2009 and formed a sub-committee that examined a variety of options for the full ESAC to review. The ESAC sub-committee met three times to study the issue and develop possible recommendations for the full Council to provide to the Legislature and Labor Secretary on how to rebuild the Trust Fund and pay off any federal loans that may be needed. The full Council then met five times to review the work of the sub-committee. They have studied a variety of options and scenarios, taking into consideration both employer and claimant interests.

After much study, last week the ESAC adopted two sets of recommendations. One set of recommendations to address the UI Trust Fund's solvency and efforts to help pay back the debt incurred to pay benefits. The second recommendation concerns the payment of the interest on federal advances.

Trust Fund solvency and payment of principle on debt:

The ESAC recommends the Legislature enact three options that will create new revenue to help address the Trust Fund solvency and pay back the debt from federal advances.

- 1) **Increase the taxable wage base to \$9,000 in 2011, \$10,000 in 2012 and index the taxable wage base to increases in the annual average weekly wage in future years**
- 2) **Add nine additional negative balance rate groups to the existing 10 negative balance rate groups**
- 3) **Place a two-year moratorium on the maximum weekly benefit amount**

Under this scenario and factoring in FUTA credit reductions, we project the UI Trust Fund will become solvent in 2016.

Payment of the accrued interest on federal loans:

The ESAC agreed to recommend to the Legislature legislation that would:

- 4) **Implement a special assessment dedicated to paying only for the interest accrued on federal loans for the Trust Fund.**

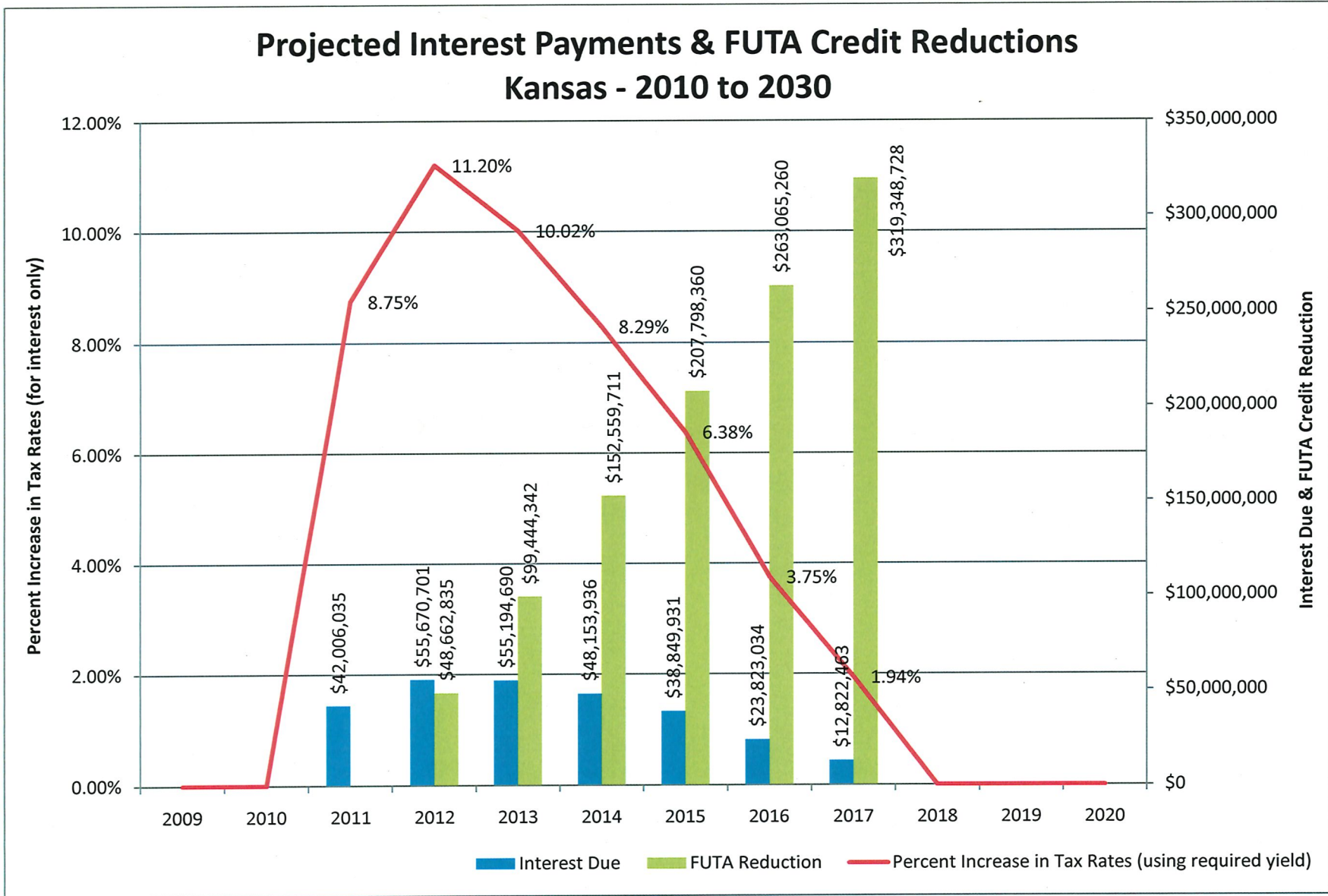
The legislation would provide an assessment which would be paid into a separately created employment security interest assessment fund. The amount would be a flat percentage on an employers' current tax rate, to be set by the Secretary of Labor upon determination of the amount needed to pay interest due on advances for such tax year. The assessment would be in addition to current contributions and would be used to pay for interest owed the federal Treasury for Trust Fund borrowing.

The collection would begin once interest had begun to accrue. Determination of the surcharge rate would be made in time to notify employers of the rate at the same time they receive notice of their annual contribution rate. Also, any excess collections would be placed in the interest assessment fund for use to pay interest in future years. Any funds remaining in the account once all interest payments have been paid would transfer to the Trust Fund.

Conclusion

The Council will meet again on Thursday, March 4. I will be happy to answer any questions.

Option 1: *Baseline scenario (no changes in statute expect to include mechanisms for interest payment)*



Senate Business & Labor Committee
 Date: February 19, 2010
 Attachment 2



DEPARTMENT OF LABOR

Mark Parkinson, Governor
Jim Garner, Secretary

www.dol.ks.gov

MEMORANDUM

TO: Members of the Senate Business and Labor Committee
FR: Jim Garner, Secretary of Labor
RE: Benefit Appeals stats
DT: 19 February 2010

During past appearances before the Committee, there have been comments made about the numbers of appeals "overruled" at the higher level of review. The inference is that there is a high number of reversals of the lower level hearing officers. Please allow me to clear up this misperception. The fact is that the Employment Security Board of Review (the higher level review panel) **reversed only 3.6%** of the determinations made by Unemployment Insurance Hearing Officers (the lower level appeals) in CY 2009. Here are the statistics that I hope are helpful in understanding this matter.

Appeals Filed in 2009

Lower Level Appeals:

Total appeals file: 13,474

Decided in favor of Claimants: 6849 (50.8%)

Decided in favor of Employers: 6625 (49.2%)

Number filed by Claimants: 10,157

Decided in favor of Claimants: 4692 (46.2%)

Decided in favor of Employers: 5465 (53.8%)

Number filed by Employers: 3,317

Decided in favor of Claimants: 2157 (65.0%)

Decided in favor of Employers: 1160 (35.0%)

Higher Level Appeals:

Total appeals file: 1843

Decided in favor of Claimants: 505 (27.4%)

Decided in favor of Employers: 1338 (72.6%)

Number filed by Claimants: 1,295

Reversed in favor of Claimants: 12 (0.9%)

Affirmed in favor of Employers: 1283 (99.1%)

Number filed by Employers: 548

Affirmed in favor of Claimants: 493 (90.0%)

Reversed in favor of Employers: 55 (10.0%)

Senate Business & Labor Committee

Date: February 19, 2010

Attachment 3

UI Modernization Incentive Payments – Approved Applications

State	1/3 Approval	2/3 Approval				Amount
	Alternative Base Period	Part-Time Workers	Compelling Family Reasons	Dependents Allowance	Training Extension	
Alaska	X ¹					\$5,206,411
Arkansas	X ¹	X ²	X ²			\$59,969,332
Colorado	X ¹	X ³	X ²			\$127,469,762
Connecticut	X		X ²	X		\$87,811,338
Delaware	X ¹	X ²	X ²			\$21,868,398
District of Columbia	X					\$9,210,994
Georgia	X	X ²			X ²	\$220,286,144
Hawaii	X	X ²	X ²			\$30,526,725
Idaho	X ¹	X ²			X ²	\$32,260,831
Illinois	X		X ²	X ²		\$301,150,687
Iowa	X ¹	X ²			X ²	\$70,814,387
Kansas	X ¹	X ²			X ²	\$68,970,143
Massachusetts	X			X	X ²	\$162,683,341
Maine	X	X ²			X ²	\$28,231,263
Michigan	X					\$69,427,524
Minnesota	X ¹	X ²	X ²			\$130,063,620
Montana	X ¹	X ²			X ²	\$19,525,764
Nevada	X ¹	X ⁴	X ⁴			\$76,937,412
New Hampshire	X	X	X ²			\$31,401,220
New Jersey	X	X			X ²	\$206,823,364
New Mexico	X					\$13,007,527
New York	X	X ²	X ²			\$412,742,107
Ohio	X					\$88,169,529
Oklahoma	X ¹	X ²	X ²			\$75,886,483
Oregon	X ¹		X ²		X ²	\$85,574,641
South Dakota	X ¹					\$5,882,545
Tennessee	X ¹	X ²		X ²		\$141,808,031
Vermont	X					\$4,639,299
Virginia	X					\$62,817,683
Washington	X					\$48,864,609
West Virginia	X ¹					\$11,058,877
Wisconsin	X		X ²		X ²	\$133,934,079
TOTAL	32	17	13	4	10	\$2,845,024,070

GENERAL NOTES:

- Shaded cells indicate that the state does not have an approved 2/3 application.
- For additional information about UI Modernization incentive payments, see [UIPL 14-09](#) and [UIPL 14-09, Change 1](#).
- For the text of approved applications, click [here](#).

¹ State amended its UI statute in order to meet requirements for 1/3 approval

² State amended its UI statute in order to meet requirements for 2/3 approval

³ State modified its regulations in order to meet requirements for 2/3 approval

⁴ State clarified its procedures to ensure that current law is interpreted in a way that meets requirements for 2/3 approval

MONETARY ENTITLEMENT

Weeks/Hours of Employment—Under this method, the worker must have worked a certain number of weeks/hours at a certain weekly/hourly wage.

The following table provides information on the qualifying formulas used by the states and the minimum wages needed to qualify for UI in each state.

TABLE 3-3: BASE PERIOD WAGE AND EMPLOYMENT REQUIREMENTS FOR BENEFITS			
State	Qualifying Formula: Wages or Employment	Minimum Wages Needed To Qualify:	
		High Quarter	Base Period
AL	1½ x HQW in BP and qualifies for at least the minimum WBA	>\$1,157	>\$2,314 (in 2 HQs)
AK	\$2,500 flat amount and wages in 2 quarters of BP		\$2,500
AZ	1½ x HQW in BP and \$1,500 in one quarter or alternative: flat-amount requirement: wages in 2 quarters of BP, wages in 1 quarter sufficient to qualify for the maximum WBA and total BPW ≥ the taxable wage base (\$7,000)	\$1,500	\$2,250
AR	27 x WBA in BP and wages in 2 quarters of BP		\$2,079
CA	\$1,300 in HQ or alternative: \$900 in HQ with BPW = 1¼ x HQ	\$900	\$1,125
CO	40 x WBA or \$2,500 in BP, whichever is greater	\$1,084 (in 2 HQs)	\$2,500
CT	40 x WBA in BP		\$600
DE	36 x WBA in BP. If insufficient BPW, but (36 x WBA) – BPW ≤ \$180, eligible for reduced WBA		\$720
DC	1½ x HQW in BP, or within \$70, \$1,300 in HQ	\$1,300	\$1,950
FL	1½ x HQW in BP; minimum of \$3,400 in BP; wages in 2 quarters	\$2,267	\$3,400
GA	1½ x HQW in BP or alternative: 1/21 HQW for WBA with 40 x WBA in BP and wages in 2 quarters	\$756	\$1,134 (in 2 HQs)
HI	26 x WBA in BP and wages in 2 quarters		\$130
ID	1¼ x HQW in BP and \$1,690 in HQW. Minimum HQW, determined on January 1, must equal 50% of state minimum wage multiplied by 520 hours	\$1,690	\$2,113
IL	\$1,600 flat amount and \$440 outside HQ		\$1,600
IN	1¼ x HQW totaling at least \$1,650 in last 2 quarters of BP and not less than \$2,750 in BP	\$1,000	\$2,750
IA	1¼ x HQW in BP (HQW must equal 3 ½% of the statewide AAW) and ½ HQW in another quarter	\$1,240	\$1,860
KS	30 x WBA in BP and wages in 2 quarters	\$2,471	\$3,150
KY	1½ x HQW in BP, 8 x WBA in last 2 quarters of BP, \$750 outside HQ	\$1,963	\$2,944
LA	1½ x HQW in BP	\$800	\$1,200
ME	2 x AWW in each of 2 different quarters and total wages of 6 x AWW in BP	\$1,326 (in each of 2 Qs)	\$3,977
MD	1½ x HQW in BP, \$576.01 in HQ and wages in 2 quarters. If doesn't meet qualifying requirement for WBA computed on HQW but does meet requirement for next lower bracket, eligible for lower WBA, step down of 6 brackets; the multiple (1½) is not applied to the worker's HQW, but the qualifying amount, shown in a schedule, is computed at the upper limit of each wage bracket (assuming a normal interval at the maximum benefit amount)	>\$576	\$900
MA	30 x WBA in BP and \$3,500 minimum in BP		\$3,500
MI	1½ x HQW in BP or alternative: BPW equal to 20 times the state AWW and wages in 2 quarters	\$2,871	\$4,307

MONETARY ENTITLEMENT

TABLE 3-3: BASE PERIOD WAGE AND EMPLOYMENT REQUIREMENTS FOR BENEFITS

State	Qualifying Formula: Wages or Employment	Minimum Wages Needed To Qualify:	
		High Quarter	Base Period
MN	\$1,000 in HQ and \$250 outside HQ	\$1,000	\$1,250
MS	40 x WBA in BP, 26 x minimum WBA in HQ and wages in 2 quarters	\$780	\$1,200
MO	1½ x HQW in BP and \$1,500 in one quarter; or alternative: wages in 2 quarters and BPW of 1½ x maximum taxable wage base for that year	\$1,500	\$2,250
MT	1½ x HQW in BP with total BP wages > 7% of the AAW or alternative: Total BPW >50% of AAW	\$1,467	\$2,200
NE	\$800 in each of 2 quarters; \$2,781 in BP and \$800 in HQ	\$800	\$2,781
NV	1½ x HQW in BP and \$400 in 1 qtr or alternative: wages in 3 of the 4 quarters in the BP	\$400	\$600
NH	\$1,400 in each of 2 quarters	\$1,400	\$2,800
NJ	20 base weeks (20% of AWW) or alternative: 1,000 times the state minimum hourly wage. (\$6.55/hr state minimum wage)		\$2,860
NM	Wages in 2 quarters	\$1,629	\$1,630
NY	1½ x HQW in BP and wages in 2 quarters	\$1,600	\$2,400
NC	6 x AWW in BP and wages in 2 quarters	\$1,092	\$4,455
ND	1½ x HQW in BP and wages in 2 quarters	\$1,864	\$2,795
OH	20 weeks employment with wages in each week of at least 27½% of the state AWW in BP and wages in 2 quarters		\$4,120
OK	1½ x HQW in BP and \$1,500 in BP or alternative: flat-amount requirement ≥ \$14,200 in BP (100% state taxable wage base)	\$1,000	\$1,500
OR	1½ x HQW in BP and \$1,000 in BP or alternative: flat-amount requirement 500 hours of employment in BP	\$667	\$1,000
PA	16 credit weeks and at least 20% BPW out of HQ (see table in law)	\$800	\$1,320
PR	40 x WBA in BP and wages in 2 quarters; If fail to meet qualifying requirement for WBA computed on HQW but do meet qualifying requirement for next lower bracket, eligible for lower WBA, unlimited step-down provision. PR has a flat qualifying requirement for agricultural workers. Individual's annual salary is used for agricultural workers.	\$77	\$280
RI	1½ x HQW in BP and 200 x minimum hourly wage in 1 quarter and BP wages at least 400 x the minimum hourly wage or alternative: \$1200 x minimum hourly wage in BP	\$1,480	\$2,960
SC	1½ x HQW in BP and \$540 HQW and \$900 BPW	\$540	\$900
SD	\$728 in HQ and 20 x WBA outside HQ	\$728	\$1,288
TN	40 x WBA in BP and lesser of 6 x WBA or \$900 outside HQ	>\$780	>\$1,560
TX	37 x WBA in BP and wages in 2 quarters	\$1,438	\$2,146
UT	1½ x HQW in BP (BPW must be 8% of state average fiscal year wages in BP, rounded to the higher \$100) or alternative: 20 weeks of insured work with 5% of the monetary BPW requirement in each week	\$2,000	\$3,000
VT	1.4 x HQW in BP (HQW will be adjusted by a percentage increase equal to the percentage increase in the state minimum wage for the prior year)	\$2,058	\$2,882
VA	\$2,700 in 2 highest 2 quarters of BP		\$2,700 (in 2 HQs)
VI	1½ x HQW in BP or alternative: flat-amount requirement \$858 in HQW and 39 x WBA in BP	\$858	\$1,287

MONETARY ENTITLEMENT

TABLE 3-3: BASE PERIOD WAGE AND EMPLOYMENT REQUIREMENTS FOR BENEFITS			
State	Qualifying Formula: Wages or Employment	Minimum Wages Needed To Qualify:	
		High Quarter	Base Period
WA	680 hours employment in BP and wages in BP or alternate BP		
WV	\$2,200 flat amount and wages in 2 quarters		\$2,200
WI	35 x WBA in BP, 4 x WBA outside HQ and wages in at least 2 quarters	\$1,350	\$1,890
WY	1.4 x HQW in BP and wages in 2 quarters (BPW must be \geq 8% of statewide AAW rounded down to lowest \$50)	\$2,215	\$3,100
GENERAL NOTE: Additional monetary requirements in some state laws result in minimum high quarter and/or base period wages that are higher than what the qualifying formula alone would require.			

QUALIFYING FOR A SECOND BENEFIT YEAR

Since the standard base period established by the states' laws results in a significant lag between the end of the base period and the establishment of a benefit year, a worker could conceivably use lag-period wages and employment to qualify for 2 consecutive benefit years during one long unemployment spell (after benefits are exhausted and the first benefit year ended). As a result, all states require workers to earn wages after the beginning of the first benefit year. In many states, the amount a worker must earn is a multiple (from 3 to 10) of the weekly benefit amount. A few states require a worker to earn wages sufficient to meet the minimum qualifying requirement. In addition, some states specify that the wages needed to requalify must be earned in covered employment.

TABLE 3-4: WAGES NEEDED TO ESTABLISH NEW BENEFIT YEAR (AMOUNT TIMES WBA UNLESS INDICATED)									
State	Subsequent To Beginning Of Preceding Benefit Year	Subsequent To Date Of Last Valid Claim	Other	Wages Must Be In Insured Work	State	Subsequent To Beginning Of Preceding Benefit Year	Subsequent To Date Of Last Valid Claim	Other	Wages Must Be In Insured Work
AL	8			X	AK	8			
AZ	8				AR	3			X
CA			Equivalent qualifying wages as in preceding BY		CO	\$2,000			
CT	5 or \$300, whichever is greater			X	DE		10		X
DC	10				FL	3			
GA	10			X	HI	5			X
ID	6; wages must be in bona fide work				IL	3			
IN	8			X	IA	\$250			X
KS	8			X	KY			8; last 2 quarters of BP	
LA	6; or 3/13th of HQW, whichever is lesser			X	ME	8			X