

February 16, 2012

The Honorable Anthony Brown, Chairperson  
House Committee on Commerce and Economic Development  
Statehouse, Room 151-S  
Topeka, Kansas 66612

Dear Representative Brown:

**SUBJECT:** Fiscal Note for HB 2638 by House Committee on Commerce and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2638 is respectfully submitted to your committee.

HB 2638 makes a variety of amendments to the Employment Security Law and payment of unemployment insurance (UI) benefits.

1. Include all holiday pay in the definition of wages for the purpose of calculating a claimant's UI benefit whether the pay was conditioned on attendance on other regularly scheduled days or not;
2. Postpone a claimant's UI benefits for receipt of a single lump-sum amount for separation or severance pay, with the length of delay dependent on the amount of the payment;
3. Establish a 2.7 percent assessment rate applied only to new employers not in the construction industry not eligible for a rate contribution effective with rate year 2013;
4. Specify that for employers to be eligible for reduced rates for rate year 2013 and beyond, the average high cost multiple of the employment security trust fund balance must remain above 1.0 rather than 1.2 as of that year's computation date; and
5. Eliminate the Employment Security Advisory Council;

The Department of Labor has not yet provided a statement of the fiscal effect resulting from enactment of HB 2638. A revised fiscal note will be issued once this statement is

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forwarded. Any fiscal effect associated with HB 2638 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Kathie Sparks, Labor