

February 14, 2012

The Honorable Susan Wagle, Chairperson
Senate Committee on Commerce
Statehouse, Room 135-E
Topeka, Kansas 66612

Dear Senator Wagle:

SUBJECT: Fiscal Note for SB 408 by Senator Hensley, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 408 is respectfully submitted to your committee.

SB 408 proposes two substantive and one technical amendment to the state's Employment Security Law. First, the bill provides for payment of unemployment insurance (UI) benefits for the initial waiting week after the claimant has received UI benefits for three consecutive weeks. Second, the bill reinstates the voluntary quit exemption for unemployment for all spouses required to leave their employment because of a spouse's transfer. Lastly, the bill would update the statutory references regarding the type of information an individual must provide when seeking the domestic violence exception to the voluntary quit law.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$13,400,000
FTE Pos.	--	--	--	--

The Department of Labor indicates enactment of SB 408 would require reprogramming of its computer system to reinstate the "waiting week" payment. Payment of the additional benefits for the waiting week is estimated to cost \$11.5 million per year, and the trailing spouse would require payment of \$1.9 million. The combined benefits of \$13.4 million would be ongoing in each future fiscal year. To finance these additional benefits to UI claimants it is likely that the assessment imposed on all employers that finances the Employment Security Trust

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Fund would eventually have to be increased to ensure that the fund remains at sufficient levels. By themselves, the statutes that provide for the additional benefits would not result in an equivalent increase in affected employers' assessment to finance the benefits. Any fiscal effect associated with SB 408 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

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

cc: Kathie Sparks, Labor