

March 9, 2015

The Honorable Mark Hutton, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hutton:

SUBJECT: Fiscal Note for HB 2357 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2357 is respectfully submitted to your committee.

HB 2357 would allow an unemployed individual that is not in the educational field to take a part-time substitute teaching position and remain eligible for unemployment benefits. The bill provides clarifying language for when an appeal is due and when an action is final from the Employment Security Board of Review. The bill would eliminate the requirement that the Secretary of Labor has to hire certain positions in the classified services and removes restrictions from hiring certain members from political parties. Current law requires all employers and third party administrators with 50 or more employees or 50 or more client employees to file electronically all wage reports, contribution returns, and payment and interest for unemployment insurance assessments. The bill would require all employers and third party administrators to file these reports electronically.

The Department of Labor indicates HB 2357 would increase unemployed insurance (UI) benefit payments by \$543,834 in both FY 2016 and FY 2017. To formulate these estimates, the Department reviewed data on unemployed individuals that took a part-time substitute teaching position in FY 2014. The Department indicates that there were 142 individuals that were denied unemployment insurance benefits due to filling a substitute teaching position during the school year. Of those persons, 93 individuals worked in a non-educational position prior to taking the substitute teaching position. It is estimated that at the current average weekly benefit rate of \$365.48, it would cost \$543,834 from the Employment Security Trust Fund if all 93 individuals received 16 weeks of benefits. The Department estimates that the Employment Security Trust

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Fund can absorb the additional UI benefits without adjusting the current unemployment tax rates. Any fiscal effect associated with HB 2357 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", followed by a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dawn Palmberg, Labor
Carol Williams, Governmental Ethics
Mary Rinehart, Judiciary