

UPDATED
SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2154

As Recommended by House Committee on
Rural Revitalization

Brief*

HB 2154 would amend Kansas Employment Security Law, commonly referred to as Unemployment Insurance (UI), to allow furloughed federal and state government employees, who are deemed essential but are not being paid during the furlough, to be eligible for employment security benefits during FY 2019 and FY 2020.

The Secretary of Labor (Secretary) would be required to determine the amount of UI benefits payable to applicants who are deemed unemployed by the Secretary and are seeking benefits under special circumstances, as detailed in the bill. The Secretary would then certify that amount to the Director of Accounts and Reports, who would transfer the certified amount from the State General Fund to the Federal and State Essential Employee Assistance Fund, which would be created by the bill.

The Secretary would have the discretion to deem an individual “unemployed” with respect to any week during which the individual is required to perform services without receiving pay by a federal or state public employer.

Benefits paid would be required to be repaid if the unemployed individual were to receive back pay or a settlement, in accordance with current law. Any repayment would be credited to the State General Fund.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Secretary would be authorized to adopt rules and regulations regarding implementation of deeming an individual “unemployed” and waiving or altering work search and availability requirements due to special circumstances.

The bill also makes numerous technical changes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Rural Revitalization at the request of Representative Adam Smith on behalf of the U.S. Department of Agriculture.

At the House Committee hearing, the State Executive Director for the Kansas Farm Service Agency provided proponent testimony. The State Executive Director discussed the 350 Kansas Farm Service Agency employees who were required to work for three days without pay after the federal government shutdown and how these employees were no longer eligible for unemployment benefits under state law. Neutral testimony was provided by the Chief of UI Benefits and Reporting, Kansas Department of Labor, who provided information on UI benefits and answered questions for the House Committee. No opponent testimony was provided.

The bill was passed by the House Committee on February 19, 2019, but was withdrawn from the House Calendar and referred to the House Committee on Appropriations on Wednesday, February 27, 2019. The bill was then withdrawn from the House Committee on Appropriations and rereferred to the House Committee on Rural Revitalization on Wednesday, March 6, 2019. The House Committee again passed the bill on Tuesday, March 12, 2019.

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Department of Labor indicates the payment of UI benefits and administrative costs for enactment of the bill would be negligible. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.