

**HOUSE BILL No. 2196**

By Committee on Commerce, Labor and Economic Development

2-1

Proposed Amendments for HB 2196  
Committee on Commerce, Labor  
and Economic Development  
Awerkamp #1  
February 18, 2021  
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Office of Revisor of Statutes

1 AN ACT concerning employment security; creating the unemployment  
2 compensation modernization and improvement council; providing for  
3 development of a new unemployment insurance information  
4 technology system; claimant tax information; website publication of  
5 trust fund data; maximum benefit period; charging of employer  
6 accounts for benefits paid; employer contribution rate determination  
7 and schedules; abolishing the employment security interest assessment  
8 fund; crediting employer accounts for fraudulent or erroneous  
9 payments; transferring moneys from the state general fund to the  
10 unemployment insurance trust fund for improper benefit payments;  
11 services performed by petroleum landmen; lessor employment unit  
12 employee leasing restrictions; relating to other unemployment trust  
13 fund provisions; shared work compensation program; amending K.S.A.  
14 44-758 and K.S.A. 2020 Supp. 44-703, 44-704, 44-710, 44-710a, 44-  
15 710b and 44-757 and repealing the existing sections.

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17 *Be it enacted by the Legislature of the State of Kansas:*

18 New Section 1. (a) (1) There is hereby created the unemployment  
19 compensation modernization and improvement council. The council shall  
20 consist of 11 members appointed as follows:

21 (A) Two members who, on account of their vocation, employment or  
22 affiliations, may be classed as representative of employers, to be selected  
23 by the workers compensation and employment security boards nominating  
24 committee established under K.S.A. 44-551, and amendments thereto, and  
25 appointed by the governor;

26 (B) two members who, on account of their vocation, employment or  
27 affiliation, may be classed as representative of employees, to be selected  
28 by the workers compensation and employment security boards nominating  
29 committee and appointed by the governor;

30 (C) the chairpersons of the standing committees of the senate and the  
31 house of representatives to which legislation pertaining to the employment  
32 security law is customarily referred, appointed by the president of the  
33 senate and the speaker of the house of representatives, respectively;

34 (D) two members of the senate appointed by the president of the  
35 senate, one of whom is a member of the majority party and one of whom is  
36 a member of the minority party;

1 (E) two members of the house of representatives appointed by the  
2 speaker of the house of representatives, one of whom is a member of the  
3 majority party and one of whom is a member of the minority party; and

4 (F) the secretary of labor or a designee of the secretary who has  
5 administrative responsibilities with respect to the unemployment insurance  
6 compensation system of the department of labor.

7 (2) In the event the governor fails to appoint a member selected by  
8 the workers compensation and employment security boards nominating  
9 committee, the committee may replace that selection with another, subject  
10 to the same appointment requirements. Members of the council appointed  
11 by the governor shall serve for a term of ~~four~~ years, and each term shall  
12 end on the same day as the date of their original appointment. When an  
13 employer representative vacancy or employee representative vacancy on  
14 the council occurs, the workers compensation and employment security  
15 boards nominating committee shall convene and submit a nominee to the  
16 governor for appointment.

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17 (3) Legislative members shall serve during the legislative session in  
18 which they are appointed to the council and shall remain members of the  
19 legislature in order to retain membership on the council. Vacancies of  
20 legislative members during a term shall be filled in the same manner as the  
21 original appointment only for the unexpired part of the term.

22 (b) Each member of the council shall be entitled to receive  
23 compensation for the member's services, together with the member's travel  
24 and other necessary expenses actually incurred in the performance of the  
25 member's official duties, in accordance with rules and regulations adopted  
26 by the council. Members' compensation and expenses shall be paid from  
27 the employment security administration fund or any account of the state  
28 general fund of the department of labor, as designated by the secretary.

29 (c) The members who are the chairpersons of the standing  
30 committees of the senate and the house of representatives to which  
31 legislation pertaining to employment security law is customarily referred  
32 shall jointly call the first meeting of the council. The council shall annually  
33 organize itself and select a chairperson. Six members shall constitute a  
34 quorum, and the council shall act only on the affirmative vote of six  
35 members. A vacancy on the council shall not impair the right of a quorum,  
36 to exercise all the rights and perform all the duties of the council. The  
37 council shall meet as often as necessary to perform its duties.

38 (d) The council shall examine and recommend changes to the  
39 unemployment compensation system to include current limitations, new  
40 features and benefits, system enhancements and dynamic, accurate  
41 reporting for the benefit of both employers and individuals. The council  
42 shall also examine the process by which an individual files a claim for and  
43 receives benefits and any changes made to that process after the effective

1 the applicant, recipient or employer received.  
 2 (2) In the written strategic staffing plan required under paragraph (1)  
 3 (A), the secretary shall include an explanation of whether and in what  
 4 manner the secretary will utilize:  
 5 (A) Department employees who do not ordinarily perform services  
 6 related to unemployment compensation;  
 7 (B) employees employed by other state agencies; and  
 8 (C) employees provided by private entities.  
 9 (k) For purposes of subsection (j)(1)(A), the secretary of labor shall  
 10 develop the initial written strategic staffing plan not later than six months  
 11 after the first meeting of the council and provide such plan to the council,  
 12 the president of the senate, the speaker of the house of representatives and  
 13 the governor. The secretary shall review the plan at least once per year. If,  
 14 after reviewing the plan, the secretary determines that the plan should be  
 15 revised, the secretary shall revise the plan. After each review of the plan as  
 16 provided under this subsection, the secretary shall provide the most recent  
 17 version of the plan to the council, the president of the senate, the speaker  
 18 of the house of representatives and the governor. The secretary shall post  
 19 the most recent version of the plan on a publicly accessible website  
 20 maintained by the secretary.  
 21 (l) The council may adopt rules and regulations as necessary to  
 22 implement the provisions of this section.  
 23 (m) ~~This section shall be a part of and supplemental to the~~  
 24 ~~employment security law.~~  
 25 New Sec. 2. (a) It is the intent of the legislature that, in order to  
 26 accomplish the mission of collecting state employment security taxes,  
 27 processing unemployment insurance benefit claims and paying benefits,  
 28 the department of labor's information technology system shall be  
 29 continually developed, customized, enhanced and upgraded. The purpose  
 30 of this section is to ensure the state's unemployment insurance program is  
 31 utilizing current technology and features to protect the sensitive data  
 32 required in the unemployment insurance benefit and tax systems relating  
 33 to program integrity, system efficiency and customer service experience.  
 34 (b) The legislature finds that, as a result of the vulnerabilities exposed  
 35 in the legacy unemployment insurance system by the COVID-19 pandemic  
 36 unemployment insurance crisis, a new system shall be fully designed,  
 37 implemented and administered by the department of labor not later than  
 38 December 31, 2022.  
 39 (c) The information technology system, technology and platform  
 40 shall include the following components, as defined by the unemployment  
 41 compensation modernization and improvement council established by  
 42 section 1, and amendments thereto, in consultation with the secretary:  
 43 (1) Component-centric architecture;

The council shall be dissolved and the provisions of this section pertaining to the establishment, function and operation of the council shall no longer be in effect after three years from the date of the council's first meeting.  
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