

February 14, 2023

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2333 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2333 is respectfully submitted to your committee.

HB 2333 would expand job seeking requirements related to unemployment benefits. The bill would require the Secretary of Labor to provide a website portal and email address for employers to notify the Kansas Department of Labor when a claimant refuses an offer of suitable work, fails to appear for a previously scheduled job interview without notification, or fails to respond to an offer of employment within five days. Within five business days of receipt of notice that a claimant has refused to return to work or refused an offer of suitable work, the Secretary would be required to notify claimant that they may be disqualified from benefits, the reason for the pending disqualification, and instructions for contesting the pending denial of the claim. The bill would require the agency to investigate and determine if the claimant was disqualified from benefits and such disqualification would continue until the individual is reemployed.

In addition, HB 2333 would allow for extension for the unemployment modernization project beyond the current deadline of December 31, 2022, as often as the Legislative Coordinating Council deems appropriate. Extensions of the deadline would require written notification to and approval by the Legislative Coordinating Council.

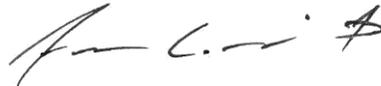
The Kansas Department of Labor (KDOL) estimates that enactment of HB 2333 would result in additional expenditures between \$907,105 and \$2.1 million, all from the State General Fund, in FY 2024. KDOL currently has a process for employers to provide information on job refusals. Incorporating the requirements of the bill would require enhancements to the current mainframe system, and a new online portal, as well as incorporation into the modernized system

via change order. The agency estimates these costs to be anywhere between \$593,066 and \$1.0 million.

The agency notes that work search audits are currently processed through the Department of Commerce through the My Reemployment Plan and the bill would redirect this process back to KDOL. To process the additional workload, the agency estimates an increased workload between 3.0 to 10.0 percent, which would equate to costs between \$314,039 and \$1.0 million. There is also the potential for a decrease in benefits paid to claimants after violations of provisions of the bill, but the agency was unable to estimate the effect to the Unemployment Insurance Trust Fund.

The Department of Commerce reports that the bill would not result in a fiscal effect for the agency. Any fiscal effect associated with HB 2333 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Sherry Rentfro, Department of Commerce
Dawn Palmberg, Department of Labor