

SESSION OF 2020

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 27**

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

House Sub. for SB 27 would amend provisions of the Employment Security Law, commonly referred to as unemployment insurance (UI), pertaining to unemployment benefits.

Workers who started to file UI claims on or after January 1, 2020, would be eligible for a maximum of 26 weeks of benefits. Under current law, the number of weeks for which a worker may claim benefits is capped at 16 weeks, 20 weeks, or 26 weeks if the Kansas unemployment rate (on a three-month seasonally adjusted average) is less than 4.5 percent, at least 4.5 percent but less than 6.0 percent, or at least 6.0 percent, respectively.

Under current law, workers must wait for a week prior to making a claim and receiving UI benefits. The bill would grant to workers an additional week's benefit upon the completion of the third week of unemployment after the waiting week. This week would not increase the total amount of benefits eligible to be claimed by a worker.

The bill would be in effect upon publication in the *Kansas Register* and sunset on April 1, 2021.

*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>

Background

The bill was introduced in the 2019 Session by the Senate Committee on Commerce at the request of the National Association of Professional Employer Organizations. On March 17, 2020, the House Committee on Commerce, Labor and Economic Development (House Committee) deleted the contents of the bill, inserted the language of HB 2642, and further amended the legislation.

HB 2642

HB 2642 was introduced by Representative Hoheisel and 28 other representatives.

In the hearing before the House Committee, Representatives Hoheisel and Ward, along with representatives of the Kansas Beverage Association, the Restaurant and Hospitality Association, and the Wichita Regional Chamber of Commerce spoke in favor of the bill, stating that due to layoffs in the aviation industry and the impending effect of COVID-19, it is necessary to provide support for the Kansas workforce.

A representative of the Kansas Chamber provided neutral testimony, expressing concern regarding extending UI benefits to the maximum period of 26 weeks that is allowed under federal law without a sunset, which could jeopardize the long-term solvency of the UI Trust Fund (Fund).

A representative of the Department of Labor (Department) provided neutral testimony, explaining the possible effects that various payouts could have on the Fund. The average weekly benefit paid to workers is currently \$398.22.

Prior to recommending a substitute bill, the House Committee amended the bill to:

- Clarify workers who started making UI claims in January 2020 would be allowed to obtain 26 weeks of benefits;
- Provide for a week's worth of benefits for the waiting week, using the language found in SB 392; and
- Sunset the bill on April 1, 2021.

According to the fiscal note on HB 2642 as introduced, the Department is unable to calculate the fiscal effect due to the uncertainty of numerous economic variables.