

Approved: February 24, 2012  
Date

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 8:30 a.m. on January 24, 2012, in Room 548-S of the Capitol.

All members were present except:  
Senator Jay Emler - excused

Committee staff present:  
Ms. Margaret Cianciarulo, Committee Assistant  
Mr. Reed Holwegner, Office of the Revisor of Statutes  
Mr. Jason Long, Office of the Revisor of Statutes  
Mr. Chuck Reimer, Office of the Revisor of Statutes

Conferees appearing before the Committee:  
Ms. Kathie Sparks, Deputy Secretary, Department of Labor

Others attending:  
See attached list.

### Introduction of bills

Upon calling the meeting to order, Chairperson Wagle recognized Mr. Aaron Jack, Securities Commissioner of Kansas, who asked the Committee to introduce legislation pertaining to the Office of the Securities Commissioner to establish new funds for securities, litigation, and restitution and to allow appointing of additional staff in unclassified service. Senator Schodorf made a motion to introduce the proposed legislation. It was seconded by Senator Merrick and the motion passed on a voice vote.

The Chair then recognized Secretary Karin Brownlee, Department of Labor (DOL) who asked the Committee to introduce two pieces of legislation:

1.) The first concerns amusement rides safety certificates. She said the existing law exempts home grown carnival rides and the DOL is asking to include this group with the rest so everyone will have a safety certificate on file. A motion was made by Senator Longbine to introduce the proposed legislation. It was seconded by Senator Masterson and the motion passed by a voice vote.

2.) The second concerns employment standards concerning wage recovery (employment standards). A motion was made by Senator Masterson to introduce the proposed legislation. It was seconded by Senator Merrick and the motion passed by a voice vote.

### Update on Unemployment Insurance (UI)

The next order of business was an update on the Unemployment Insurance (UI). The Chair recognized Ms. Kathie Sparks, Deputy Secretary who discussed:

## CONTINUATION SHEET

The minutes of the Senate Commerce Committee at 8:30 a.m. on January 24 2011, in Room 548-S of the Capitol.

1.) Trust fund borrowing: fully depleted in February, 2010 and January, 2011 and in both instances, advances were issued from the U.S. Treasury. Payments on the principal amount of the loans were made in October and November, 2011 to draw down the balance so additional advances could be issued in November and December, 2011 as well as January 2012. As of January 21, the current outstanding loan balance was \$84.8 million. She offered a listing of Trust Fund Loans as of 1-21-12, the net loan amount and a sheet showing the interest payment on the UI loan, and briefly covered the Federal Unemployment Tax Act (FUTA).

2.) Recent UI legislative changes;

3.) Charts showing UI contributions, benefits paid from 2006 to 2011, the unemployment rate (U.S. And Kansas 2011 and 2012 projections, and unemployment activity (UI benefits, contributions and trust fund loan balance in Kansas from 2012 to 2015. A copy of her handout is Attachment 1.

Questions were asked by Senators Schodorf, Lynn and Faust-Goudeau including: what was our highest rate of unemployment? Do you have any calculations regarding employees who have quit? Do you keep data in increase of claims? How has the bill the Committee passed last year impacted the fund? What are the rates charged to employers and are the rates stable?

### **Adjournment**

As there was no further business, Chairperson Wagle adjourned the meeting. The time was 9:20 a.m.

The next meeting is scheduled for January 25, 2012.