

SESSION OF 2020

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2154**

As Recommended by Senate Committee on
Commerce

Brief*

Senate Sub. for HB 2154 would make a number of temporary changes to the state unemployment compensation system in response to the COVID-19 pandemic.

The bill would include a policy statement that Kansas is committed to maintaining and strengthening access to its unemployment compensation system.

The bill would provide that a claimant is not ineligible for benefits on the basis of not actively seeking work during a disaster emergency proclaimed by the Governor and in response to the spread of COVID-19 and the state has temporarily waived the work search requirement in compliance with the Families First Coronavirus Response Act (Families First Act).

Additionally, the bill would waive the waiting week requirement for new claims filed from April 5, 2020, through December 26, 2020, in accordance with the Families First Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The bill would require employers to provide any notifications to individuals in the service of the employer as required by the Secretary of Labor pursuant to the Families First Act.

*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>

For calendar year 2021, the bill would limit unemployment contribution rates for employers to the standard rate schedule and prohibit an additional solvency adjustment.

The bill would provide that benefits paid as a result of employees being discharged by an employer directly impacted by COVID-19 in accordance with the Families First Act would not be charged to the account of the contributing employer.

Under the bill, payments of unemployment compensation that are wholly reimbursed to a reimbursing employer by the federal government shall be charged for the purpose of such reimbursement under the CARES Act.

The bill also would eliminate the prohibition of negative account employers participating in shared work plans, but would provide that shared work plans may be approved only if the Secretary of Labor determines the contributing employer does not adversely impact the state's eligibility under Section 2108 of the CARES Act, which provides for federal reimbursement of certain shared work plan payments.

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

Background

The bill as introduced related to unemployment insurance benefits for furloughed state and federal workers required to perform work but not paid through the furlough. The Senate Committee on Commerce, on May 14, 2020, removed the contents of the bill, inserted the contents described above, and created a substitute bill.

On May 14, 2020, the Secretary of Labor provided testimony to the Senate Committee that federal legislation enacted in response to the COVID-19 pandemic included

several categories of expanded federal funding for unemployment compensation. The Secretary testified that full receipt of these funds required the unemployment compensation system to meet certain requirements that were being satisfied through Executive Orders 20-17 and 20-28. However, the pending expiration of these orders jeopardized the further receipt of certain federal unemployment compensation funds. The Senate Committee created the substitute bill in response to this concern. A fiscal note on the substitute bill was not immediately available.