



Kansas State Council  
Society for Human Resource Management

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Wednesday, April 29 was the start of the 2009 Veto Session. Legislators returned to Topeka after a three-week break and have been called up to come up with a state budget when revenue collections are at an all time low. Furthermore, legislators were welcomed back by newly appointed Governor Mark Parkinson, who replaces former Governor Kathleen Sebelius who left to become U.S. Health and Human Services Secretary.

While the 2009 session has been plagued with uncertainties, it is clear House and Senate budget negotiators have their hands full with trying to come up with an agreed upon budget that they can fund either through budget cuts or revenue enhancements. The House is expected to debate its budget Friday afternoon while the Senate is going to wait until Monday. While lobbyists were hopeful for a short veto session, it appears they will be back for most of next week.

Below you will find a brief status update on those issues being considered during the veto session which are of greatest concern to KS-SHRM members:

Continuation of Benefits

As introduced, HB 2262 proposes to reverse changes made last session to the continuation of benefits (COB) for eligible employees and their dependents in COBRA cases. COB is the Kansas version of COBRA and applies to health insurance groups of less than 20. Last session, an amendment was passed that shifted the burden of notification and administration from insurance carriers to small employers. Until the passage of SB 81 during the 2008 session, insurance carriers have always been charged with providing COB notification of eligibility as well as the responsibility of administering COB for small employers. Small businesses typically lack the staff and resources to effectively manage a COB program while insurance carriers have the necessary processes in place to assume those duties.

The COB changes made last session arose from an effort led by the business community to extend COB coverage period from six to 18 months, as an attempt to address the uninsured issue in our state. Unfortunately, unknown to small employers, the change was slipped into a conference committee report on SB 81 and passed without any public discussion. Though some Kansas-based insurance carriers are offering to continue the administration of COB for small employers, it remains a concern for small employers because ultimately the liabilities rest with them.

The House and Senate Conference Committee on Insurance has yet to meet and the COB issue remains unresolved. The Conference Committee will most likely meet early next week. If this issue of concern to you, it is recommended you contact the conference committee chairs and express your support for this measure.

Insurance Mandates

The mandate receiving the most discussion this legislative session was the HB 2367 which would mandate health insurance coverage for autism spectrum disorder. Though both the Senate and House Insurance Committees held hearings on the mandate neither

worked a bill. During the final days of the session, a procedural move was made by Representative Dillmore (D-Wichita) that brought the bill out of committee and assured the full House would have a chance to consider the measure during the Veto Session.

On Wednesday, the House voted down the procedural motion to bring the autism mandate to the House floor for debate. The motion needed 70 votes, but failed on a vote of 60-60 with 5 members not voting. While the Autism mandate is dead for the 2009 session, it will most likely be back for the 2010 session.

Minimum Wage

SB 160, which increases the state's minimum wage law from \$2.65 an hour to \$7.25, was signed by the Governor on April 24, 2009 and will become effective on January 1, 2010.

Unemployment Compensation

HB 2374, which proposes to make changes to the Kansas Employment Security Law in order for Kansas to be eligible to receive federal disbursements under the American Recovery and Reinvestment Act (ARRA) for state unemployment benefits. Under current law, unemployment benefits are calculated using a base period of paid employment. The bill proposes to amend current law to enact the application of the alternative base period to workers who would not otherwise qualify for unemployment benefits. It is estimated this amendment will allow Kansas to draw down \$26 million in stimulus dollars.

As originally introduced, HB 2374 proposed to add language that prohibits disqualifying workers from unemployment benefits who leave work to care for ill or disabled immediate family members. Adoption of this proposal would have brought Kansas further in line with ARRA requirements allowing for an additional stimulus drawdown of \$46 million. However, when the House Commerce Committee worked the bill this provision was struck and committee discussion indicated there may be further consideration of other options to allow the State to draw down the additional dollars.

When the Senate returned on Wednesday, the Ways and Means Committee held an impromptu hearing on HB 2374 and amended the bill to provide for an additional 26 weeks of unemployment insurance coverage for persons who are otherwise qualified to receive unemployment compensation and are enrolled in either a state approved training program or a job training program authorized under the Workforce Investment Act of 1998. Kansas currently provides a maximum of 26 weeks of coverage for individuals enrolled in Workforce Investment Act approved training programs. Some business groups have expressed concerns about this measure because it broadens unemployment benefits, putting an additional strain on the unemployment compensation trust fund that is already under stress. The bill advanced to the full Senate where it has been on General Orders two days in a row, but has yet to be debated.

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The Update is supplied by the KS-SHRM Lobbyist, Natalie Bright. The KS-SHRM Lobbyist can be contacted at [natalie@brightcarpenter.com](mailto:natalie@brightcarpenter.com). If you have any questions or updates to forward to the KS-SHRM Legislative Director please contact:

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