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**Division of the Budget** 

Sam Brownback, Governor

February 18, 2014

The Honorable Marvin Kleeb, Chairperson House Committee on Commerce, Labor and Economic Development Statehouse, Room 286-N Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2576 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2576 is respectfully submitted to your committee.

HB 2576 would reduce the unemployment insurance contribution rates for current employers if certain criteria are met relative to the employer's experience. The bill allows employers coming to Kansas from out-of-state to reap the benefit of earned experience ratings from the transferring state. Finally, the bill eliminates restrictions on voluntary contributions to the Employment Security Fund, allowing employers to pay more into the trust fund to buy down rates.

The Department of Labor indicates HB 2576 would reduce contributions to the Employment Security Trust Fund; however, the amount of the reduction is estimated to be negligible. Any fiscal effect associated with HB 2576 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

Jon Hummell,

Interim Director of the Budget