

March 9, 2026

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
300 SW 10th Avenue, Room 548-S  
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 512 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 512 is respectfully submitted to your committee.

SB 512 would amend the definition of “wages” under KSA 2025 Supp. 44-703, the Employment Security Law definitions, to specify that certain payments from an employer-sponsored supplemental unemployment benefit plan would not be considered wages if conditions of the bill were met. Temporary employment provisions would also be amended to remove the eight week limit and the total 16 week maximum (currently allowed with approved extension). Provisions of the Employment Security Law related to employer contributions would be amended to remove provisions on calculated negative debt write-off and forgiveness for negative rated employers. The bill would specify that no contributing employer of the ready-mixed concrete production and distribution or the construction of highways or elevated highways, streets, roads, airport runways, public sidewalks, or bridges would be charged for any temporary layoffs.

According to the Kansas Department of Labor, enactment of SB 512 would require additional expenditures totaling \$68,000 for programming and testing and an additional \$4,000 for training of staff. The changes in the Employment Security Law would increase the number of claims and increase the workload associated with temporary unemployment. However, the agency anticipates implementation, training, and the increase in workload would be handled within existing resources.

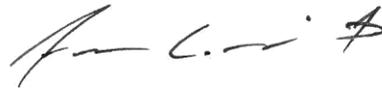
The agency notes that eliminating the debt write-off provision would improve the long-term financial stability of the Unemployment Insurance Trust fund. The bill would prohibit charging contributing employers in the industries of ready-mixed concrete production and road

and bridge construction for benefit payments associated with temporary layoffs under the Kansas Employment Security Law. Unemployment benefits paid to claimants are typically charged to an employer's experience rating account. Those charges affect the employer's experience balance and, over time, influence the employer's unemployment contribution rate.

The Kansas Department of Administration does not anticipate a fiscal effect as a result of the bill. Any fiscal effect associated with SB 512 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of School Boards states that payments from an employer paid into the state for unemployment insurance are based upon usage by the employer. By expanding the benefit to qualify more individuals, it could increase the amount employers, including school districts, that would have to pay as more individuals would utilize the benefit. The Kansas Association of Counties anticipates enactment of the bill would have a negligible fiscal effect on counties as it does not create new county financial obligations or administrative duties. Counties could see minor indirect effects as part of the broader unemployment insurance system, but those effects would not be unique to county governments. The League of Kansas Municipalities anticipates enactment of the bill would result in a negligible fiscal effect for cities.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Dawn Palmberg, Department of Labor  
Samir Arif, Department of Administration  
Wendi Stark, League of Kansas Municipalities  
Bruce Chladny, Kansas Association of Counties  
Angie Stallbaumer, Kansas Association of School Boards