



The Secretary shall suspend the rate reduction when collections for the service capacity upgrade fund exceed \$60 million dollars. Any funds collected prior to suspension in excess of those necessary to fund technology upgrades, shall be deposited into the unemployment insurance trust fund. Any future collections of past due payment to the service capacity upgrade fund including penalty and interest shall be deposited into the penalty and interest fund.

The minimum base-period wages used in determining benefits is increased from a minimum of \$750 to \$1,500. Beginning January 1, 2020, and in even-numbered years thereafter, the Secretary shall adjust the minimum base pay wages based on the percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) for the two previous calendar years.

The reasons for which a workers may be denied benefits is expanded to include suspension from work for misconduct, as defined in KRS 341.370(6).

**The fiscal impact of HB 252 GA on local governments is expected to be nil.**

Information received from the Education and Workforce Development Cabinet reflects that there should never be an increase in amounts paid by local governments. The Cabinet may adjust the contribution rate to take a portion of the cash payment and put toward the service capacity upgrade fund. If it is suspended, the cash that would have gone to the service capacity upgrade fund will instead go to the UI fund. The idea is to make the cash payment be the same, but give the Cabinet the ability to take part of it and put it toward technological improvement.

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

HB 252 GA is the same as HB 252 HCS 1 with the inclusion of HFA (5). HFA (5) deleted Section 5 in its entirety. Section 5 amended the factors on which the monthly benefit were calculated.

HB 252 HCS 1 made the following changes to the bill as introduced:

- Any expenditure of the service capacity upgrade fund must be coordinated and approved by the Commonwealth Office of Technology. The chief information officer has authority over all technology expenditures.
- The minimum base-period wages used in determining benefits is decreased from a minimum of \$2,000 to \$1,500.
- Changes the factors used in determining the maximum amount of benefits payable based on Kentucky's unemployment rate.

**Data Source(s):** LRC Staff, Education and Workforce Development Cabinet

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