

401 SW Topeka Blvd
Topeka, KS 66603



Phone: (785) 296-7474
Fax: (785) 368-6294

Amber Shultz, Secretary

Laura Kelly, Governor

**Proponent Testimony on SB 30
Senate Committee on Judiciary
Kansas Secretary of Labor, Amber Shultz
January 27, 2025**

Madam Chairwoman & Committee Members,

Good afternoon. On behalf of the Kansas Department of Labor, I thank you for the opportunity to submit testimony on SB 30.

The Kansas Department of Labor would like to continue participating in the Treasury Offset Program (“TOP”), administered by the United States Department of the Treasury through the Internal Revenue Service. TOP allows certain federal payments owed to an individual to be intercepted by state workforce agencies, such as ours, when the individual involved has been adjudicated to have engaged in unemployment insurance fraud and has improperly received payment as a means to recoup the fraudulently obtained funds. Those payments are most typically federal tax returns.

The IRS requires that any employee with access to the Federal Tax Information (“FTI”) it provides to agencies participating in TOP to have passed a federal background check. If the KDOL employee does not have this federal background check, then KDOL cannot participate in TOP, and we lose the ability to utilize a vital tool to pursue fraudsters.

These federal background checks are conducted by the Federal Bureau of Investigation (“FBI”). Under the FBI interpretation of the federal statute authorizing it to conduct background checks of this nature, the FBI requires that Kansas have in its law a statute which, among other things, mandates the fingerprinting of applicants who are to be subjected to a national criminal history background check, expressly or by implication authorizes the use of FBI records for the screening of applicants, and identifies the specific category or categories of employees falling within its purview.

SB 30 would fulfill those requirements and allow the Kansas Department of Labor to utilize this important tool to combat unemployment insurance fraud by recovering fraudulently obtained benefits. Of note, this body adopted a similar piece of legislation in its most recent session at the behest of the KBI. (SB491).

The Kansas Department of Labor has worked closely with the KBI in crafting the current bill before you, and the KBI supports its passage. We respectfully urge you to assist KDOL in recovering these funds and pass SB 30. I thank you for your attention, and I will stand for questions at the appropriate time.