



Testimony in Support of HB2105
Mr. Daniel Murray: Kansas State Director
National Federation of Independent Business
Senate Commerce Committee
Tuesday, March 19, 2013

Good morning Chairwoman Lynn and members of the Committee. I am pleased to be here on behalf of the National Federation of Independent Business (NFIB). The NFIB is the state's leading small business advocacy organization representing nearly 4,000 small business owners across Kansas.

NFIB supports HB2105, which amends several provisions in the Kansas Employment Security Act, because we believe the bill will promote fund stability and will reduce claims which do not meet, in our opinion, the original intent of the unemployment compensation system.

As quick background, the Employment Security Trust Fund, or Unemployment Insurance (UI) Fund, helps cushion the impact of economic downturns and brings economic stability to Kansas by providing temporary income support for laid off workers. The program provides unemployment benefits to eligible workers who are unemployed through no fault of their own, and who meet other eligibility requirements of Kansas law. The fund is financed by taxes on employers.

Small businesses support reforms, like those proposed in HB2105, because we believe they improve the integrity of the fund, yielding two primary outcomes: 1) the tax burden on small businesses will be lessened; and 2) the limited resources in the fund will be directed to claimants whose claims meet the fundamental purpose of the UI system.

NFIB believes that HB2105 is an effort to align limited resources with true needs. Again, NFIB supports HB2105 and urge its passage.

Small Business Isn't Small

Collectively, small business isn't small. It represents over 97 percent of all employer firms and provides employment to 54.7% of the non-farm private work force in Kansas. It pays 44 percent of total U.S. private payroll. In the past fifteen years, it has annually generated 64% of net new jobs. It generates more than 50% of the gross domestic product. It possesses half of the business wealth in the U.S.