



Written testimony before the
House Commerce, Labor and Economic Development Committee
Tuesday, February 9, 2021

Textron Aviation is a proponent with proposed amendment to HB2196

Chairman Tarwater and members of the Committee,

I am Douglas Scott the Manager of Government Relations and Public Affairs for Textron Aviation. I can be contacted at DScott2@TXTAV.com.

Thank you for the opportunity to provide written testimony on HB2196.

As the world's largest manufacturer of general and business aviation aircraft, Textron Aviation is proud to call Kansas home. The Beechcraft and Cessna brands have benefited from the exceptional contributions of a highly skilled Kansas workforce for 89 and 94 years, respectively.

Today, Textron Aviation products account for more than half of all general aviation aircraft flying. Our company boasts the most versatile and comprehensive general aviation product portfolio in the world. Our broad range of products include such best-selling aircraft as Citation business jets, King Air and Caravan turboprops and T-6 military trainer aircraft, all of which are backed by the industry's most capable global service network.

Importantly, more than 9,000 of our employees call Kansas home.

Textron Aviation is a proponent of change to the provisions of the employment security law. More specifically, we support initiatives that will allow negative balance employers in good standing to participate in the shared work program for its employees. However, Textron Aviation is of the opinion that limitations on when a negative balance employer can access the shared work program is not in the best interest of our 9,000 Kansas employees and the state of Kansas.

Limitations are currently contained in HB 2196, in Section 10, on page 67, beginning on line 28, amend KSA 44-757 (e)(8)(B) by the addition of:

“(B) if section 2108 of the federal CARES act, public law 116-136, is no longer in effect, a contributing employer eligible for a rate computation under K.S.A. 44-710(a)(2), and amendments thereto, that is a negative account employer as defined by K.S.A. 44-710a(d), and amendments thereto, may only submit an application within 12 months of the date of an announcement by the secretary of a recession in Kansas. The secretary shall make such an announcement, for purposes of the short-term compensation program, upon a determination by the secretary that Kansas has entered a recession. The employer may be approved for participation for not more than one plan year during any five-year period of time;”

These limitations restrict the frequency (access only once each five years) and conditions (Kansas has entered a recession) under which a negative balance employer can access the shared work program.



These limitations could cause negative balance employers to elect to fully furlough employees when the shared work program is a better option.

As such, an employee would draw 100% unemployment benefit from the UI fund instead of accessing the workshare program where an employee would draw a 20% unemployment benefit from the UI fund with the employer funding the majority of an employee's compensation.

Textron Aviation respectfully requests section (B) be deleted or further amended to allow a negative balance employer, in good standing, the ability to access the shared work program without limitation or restriction. Negative balance employers contribute to the UI fund accordingly at a higher rate as required of a negative balance employer. Under the workshare program, a negative balance employer and its employees would draw significantly less from the UI fund during an economic downturn.

Your leadership in providing reform to the employment security law is essential as we, together, lay the groundwork for another 90 years of prosperity for our company, our state and our valued workforce.