



Testimony for SB 177
KS Senate Commerce Committee
Employment Security Law Reforms



Submitted on behalf of The Kansas State Council of the
Society for Human Resource Management (KS SHRM)

February 16, 2021 | Phillip M. Hayes

Members of the Committee:

My name is Phillip Hayes and I back in front of you today on behalf of The Kansas State Council of the Society for Human Resource Management (KS SHRM) in **strong support of critical UI reforms outlined in SB177**. As I presented a summary of the reform provisions to this committee on January 26, 2021, today I plan to use my time to provide a little more context and detail you will likely find valuable as you begin working this important bill. My testimony today may be a bit unconventional, but I assure you, the information is critical for your consideration in making necessary and critical changes to Kansas Employment Security Law.

SB177 Reform Summary:

1. Creation of the Unemployment Compensation Modernization and Improvement Council
2. Modernization of the Kansas Unemployment Insurance IT System
3. Early Notification to KS UI Claimants of UI Benefits Tax Liability
4. Transparency in Kansas UI Fund Computations and Data Reporting – Health Indicators of KS UI Trust Fund
5. Realign Duration of Benefits to the Federal Reserve’s Definition of Full Employment Threshold of 5.0%
6. Provide Employer Relief for All Fraud & Improper Payments Between 3/15/20 and 12/31/22
7. Provide Immediate Economic Relief to Employer Chargeability & Credits Relating to Future Fraud Determinations
8. Calculate KS UI Trust Fund Solvency Charges proportionally, based on an Employers Earned Experience Rating
9. Expand Work Share Program to Prevent Future Layoffs
10. Require KDOL to Acknowledge, Process and Respond to ALL Reported Job Refusals

Absent a spectacular miracle, like the federal government forgiving all Title XII advances and making all states whole for any fraud dollars (do not hold your breath as 22 states have already borrowed nearly \$49 BILLION), the grim reality of increased unemployment taxes due to widespread fraud across our state is something we can’t avoid. Kansas paid a staggering amount of money in fraudulent unemployment benefits over the past 11 months, likely leading to borrowing from the feds in the coming months and possibly throughout 2021. Our state government needs to be accountable for that money somehow, and the bill before you determines if Kansas Employer’s will bear that burden or not.

KS SHRM strongly supports the critical changes necessary to preserve and strengthen the Employment Security Law and to ensure that payments made are not fraudulent and do not increase the financial burden on employers. We support SB 177. Thank you for service to our great state and also for the opportunity to appear before you. I would be happy to stand for questions now or at the appropriate time. I am also available by phone or email to address any future questions or concerns.

Respectfully,

A handwritten signature in black ink that reads "Phillip M. Hayes" followed by the initials "SPHR".

Phillip M. Hayes, SPHR
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