



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
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February 16, 2021

To: Senate Committee on Commerce
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Written Testimony on Senate Bill 177, changing provisions of the employment security law, creating the unemployment compensation modernization and improvement council and other changes.**

Chairman Olson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 177. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities provide gainful employment for thousands of Kansans. As such, our member companies are contributing employers, for each of their employees, into our state employment security fund.

The COVID-19 pandemic caused a rush of unemployment benefit claims to be filed with the Kansas Dept. of Labor. Unfortunately, we have now learned that, along with many legitimate claims, an overwhelming number of fraudulent unemployment applications were submitted to the department. It has now also been brought to light that, potentially, hundreds of millions of dollars have been paid from our employment security fund to fraudulent applicants.

This is a travesty for our state, to be sure. What is clear, however, is that the contributing employers of the state of Kansas should not be required to reimburse the fund for those fraudulent payments.

In addition to the other positive changes in this measure, we appreciate the intent of this bill to hold contributing employers harmless for the fraudulent payments. This is the right, fair, and equitable position for the state to take in replenishing the fund.

We stand with the other proponents in strong support of Senate Bill 177 and would respectfully request that the committee pass the bill out favorably.