



Testimony for Sub. HB 2196
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)

March 16, 2021 | Phillip M. Hayes

Chairman Olson and Members of the Committee:

My name is Phillip Hayes and I am 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 the critical UI reforms outlined in Sub. HB 2196**. As a reminder and reference, I presented to this committee on January 26 and February 16; and today I will provide additional context you may find valuable as you work this important bill this week. Although my slide presentation appears lengthy, much of it is for your reference only and I plan to briefly touch on about 15 of the slides. Following is synopsis of the slides:

Original Reforms – with bill references:

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 Fraud & Improper Payments Between 3/15/20 and 12/31/22
 - And Economic Relief to Employer Chargeability & Credits Relating to Future Fraud Determinations
7. Calculate KS UI Trust Fund Solvency Charges proportionally, based on an Employers Earned Experience Rating
8. Expand Work Share Program to Prevent Future Layoffs

House Amendments – with bill references:

1. **20+ Amendments**

***Potential Amendments for Senate Consideration – with bill references:**

1. Compromised UI IT System Component Language – with KDOL
2. Three Year Annual UI Report – Add Senate Commerce Committee, if desired (and referenced by KLRD on 3/15/21)
3. Alternate Disqualification Periods for Fraud – U .S. DOL Conformity Concerns w/ Current Language
4. Work Refusal Provisions – Define 10 Business Days
5. Federal Program UI Restrictions – No use of Kansas Employer Contributions

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. As stated previously, with 22 states borrowing to the tune of \$52B and counting... and Kansas paying an estimated \$600M in fraudulent UI payments, we are respectfully reminding legislators that 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.

We respectfully request your YES vote on Sub. HB 2196. Thank you for the opportunity to appear before you. I am available by phone or email to address any future questions or concerns.

Respectfully,

Phillip M. Hayes, SPHR

Vice President – The Arnold Group

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