



## Proponent Testimony for Sub. HB 2570

*The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024*  
KS Senate Commerce Committee | February 6, 2024 | Phillip M. Hayes

Senator Erickson and Members of the Committee:

My name is Phil Hayes, and I am back in front of you today on behalf of a broad Kansas Employer coalition including KS SHRM, KS Chamber and NFIB among others in **strong support of the significant UI reforms outlined in Sub. HB 2570**. As a reference, I recently presented to this committee on January 24th; today I will provide additional context you may find valuable as you work this bill.

### Original Reforms:

1. Includes 2023 HB 2401 KDOL provisions and KS Business provisions regarding Interview Ghosting language
2. Clean-up regarding Great Recession response language from 2011 SB77
3. Extend the Unemployment Compensation Modernization and Improvement Council through 2026
4. Add 3 new statutory definitions to KS Employment Security Law; temporary unemployment, SAAW, SAWW
5. Creates new Rate Group 0 with a 0.00% tax rate
6. Changes the Trust Fund Control Tables effective for 2025
7. Begins indexing the Taxable Wage Base in 2026 at 30% of SAAW and caps in 2032 at 60% of the SAAW
8. Clarifies/aligns statutory language regarding My Reemployment Plan and Temporary Unemployment (guardrails)
9. Publication of KS SUTA Tax Schedules and the effective SUTA tax rate/contributions tax rate tables annually
10. Extends the SUTA voluntary contribution deadline from 30 to 90 days after Rate Notice mailed
11. Changes the requirement from annual to quarterly charge notice statements
12. Removes competition for employees between KS Employers and the Government regarding additional Federal UI \$
13. Codifies ESRB candidate qualifications and process clarification language
14. Adds supplemental annual data reporting requirements
15. Abolish the Employment Security Interest Assessment Fund
16. General clean-up of old/outdated language

### Amendments from KS House Commerce Committee:

7. Index TWB in 2026 at 50% of the SAAW, maintained cut to positive rated employers tax rates in half
8. Modified guardrails regarding Temporary Unemployment extensions while complying with the My Reemployment Plan
  - Changing reporting audience and review requirements
12. Modified language regarding additional Federal UI dollars – addressed USDOL conformity concerns
13. Modified ESRB candidate qualifications – codify requirements similar to Gov. Kelly memo from 06/2021
14. Modified supplemental annual data reporting provisions
15. Abolish the Employment Security Interest Assessment Fund – changed fund receiving liabilities to SGF
17. **Added Workshare provision for school bus drivers**
18. **1-time, hard reset negative balance write off: 100% of all legacy, negative debt**
  - Applies only to ALL negative rated employers w/ a RR less than -0.000% on 08/21/2025

### One Final Amendment forthcoming from KS Business Coalition and KDOL:

18. **Write-off provisions:** Conformity & uniformity concerns from USDOL – would jeopardize FUTA credits for KS employers
  - 2 Options: **A)** Offer 100% negative write-off every 10 yrs | **B)** Use a -7.150% RR write-off threshold every year

In closing, **we respectfully request your YES vote on Sub. HB 2570 with technical and minor amendments**. Thank you for service to our great state and for the opportunity to appear before you.

Respectfully,

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