



TO: Chairman Tarwater and the House Commerce, Labor & Economic Dev. Committee
FROM: Andy Sanchez, Executive Secretary-Treasurer, KS AFL-CIO
RE: Written Testimony in Support of HB 2196
DATE: February 9, 2021

Chairman Tarwater and Members of the Committee:

Thank you for the opportunity to share our views in support of HB 2196. It only makes sense to have stakeholders at the table to monitor the modernization of the State's unemployment compensation system as we move forward to get people processed in the system more efficiently. Thus, in our opinion the creation of the Unemployment Compensation Modernization and Improvement Council is a step in the right direction. These initiatives will ensure employers, employees and lawmakers elected by their constituents will be represented. Each, having a duty and responsibility to represent their respective stakeholder(s).

The urgency for a quick return to a vibrant economy will take time and we are still in perhaps a high level of uncertainty. The vaccination rollout in response to the pandemic does however show some promise. Still, we must prepare and fine-tune the service expected from our Department of Labor's Unemployment Compensation system, so they are prepared for future dips and pickups in the economy. On the whole HB 2196 if passed could be an effective tool in our transition to the vibrant economy we are all striving to achieve.

We just have these two concerns about the bill. The first is the terminology used for the "shared work" program change to "short-time compensation". Our researchers say they are not aware of any other states going in such a direction and the change in terminology could not be as easily recognizable to workers and in the industry. Second, on page 67 of the bill's negative balance employers are limited with only one submittal of plan approval in a five-year period, AND only during an announced recession. This seems punitive to a company just trying to avoid layoff, which is the end game everybody is after with shared work programs.

Thank you once again for this opportunity to share our support for HB 2196, an important bill at a critical time for businesses and workers. We urge your support.