

To: Senator Rob Olson and Members of the Committee
From: Mitchell Rowley, Business Manager, Laborers Local Union 1290
Re: Testimony in Opposition to House Sub for HB 2196
Date: March 15, 2021

MITCHELL P. ROWLEY
Business Manager
Secretary-Treasurer

JAMES DESMARAIS
President

WILLIAM TILLMAN
Vice President

MIKE KANE
Political Affairs

JEFFREY PHILGREEN
Field Representative

RON CHRISTIAN II
Field Representative

Chairman Olson and Members of the Committee,

The LABORERS' LOCAL UNION 1290 writes to you today to testify in opposition to H Sub for HB 2196 as it is currently written. While LABORERS' LOCAL UNION 1290 currently opposes H Sub for HB 2196, there are aspects of the bill we support. We support H Sub for HB 2196's efforts to resolve fraud our unemployment system has experienced during the COVID-19 pandemic. However, the changes to unemployment benefits within this bill will not alleviate unemployment fraud but instead harm Kansans.

H Sub for HB 2196 changes the rate triggers (Percentages that determine how long a claimant may receive benefits) and the maximum duration for how long a claimant can receive unemployment benefits. LABORERS' LOCAL UNION 1290 does not understand how changing the amount of time a claimant can receive benefits will alleviate our system's current issues. LABORERS' LOCAL UNION 1290 believes no changes should be made to the benefits unemployed Kansans may receive. In the midst of a pandemic, this bill targets to decrease the number of weeks claimants can receive unemployment. It is our opinion that does not fix the fraud our unemployment system has experienced, instead it changes benefits for unemployed Kansans.

Last week the Senate passed a bill that would give businesses immunity for an additional year from COVID-19 claims by their employees. Although this bill does not address this issue, we must ask why the legislature is not extending the period in which claimants can receive 26 weeks of unemployment? This bill would no longer allow for 26 weeks on April 1, 2021. Why should businesses receive an extension but individual Kansans not?

Additionally, H Sub for HB 2196 seeks to protect and make whole employers who have been victims of unemployment fraud through reimbursement for fraudulent claims. While LABORERS' LOCAL UNION 1290 supports this effort, why does H Sub for HB 2196 only protect employers? The House passed an amendment which would decrease the fraud penalty from 5 years to 2 years, which is a step in the right direction. However, nothing in this bill protects individuals who were victims of fraud from being banned for 2 years.

More than 40 states have penalties for unemployment fraud barring individuals from receiving unemployment benefits for one (1) year or less. While LABORERS' LOCAL UNION 1290 understands efforts to penalize individuals that have committed

unemployment fraud, we support an amendment removing or reducing the two (2) year ban to align with penalties across the country.

Thank you for your time today. Should the Committee have any questions, please do not hesitate to reach out to me (mitch@local1290.com) or any of our member organizations.

Sincerely,

Mitchell Rowley
Business Manager-
Secretary/Treasurer