



---

**TO:** SENATE COMMERCE COMMITTEE  
**DATE:** March 16, 2021  
**FROM:** Andy Sanchez, Executive Secretary-Treasurer, KS AFL-CIO  
**RE:** Testimony in Opposition to Sub for HB 2196

Chairman Olson and Members of the Committee:

Thank you for this opportunity to share our views on Sub. for HB 2196. While there appears to be some positive elements in the bill, we've heard concerns and opposition from some of our affiliates and cannot be a proponent of the bill. The Kansas AFL-CIO represents over 275 Unions across the state comprised of manufacturing, building construction and other sectors. The Kansas Unemployment Compensation system plays a critical role in keeping the skills and talents of workers here in the state. Moreover, the UI can sustain our economy in times of strife just like we currently find ourselves in.

HB 2196 is a bill that initially garnered our support because of the potential for workers to have input crafting the bill and the intent to address fraud / identity theft. The formation of an oversight council has the potential to make more information accessible to stakeholders. However, the formation of the Unemployment Compensation Modernization and Improvement Council looks to be just too "political" for the work ahead. A bit of history: We had a lot of favor for an Advisory Council known as the Employment Security Advisory Council (ESAC) that was abolished in 2012. The council allowed for equal representatives, three from Business, three from Labor and three academia representatives (economic professors) from our State's universities. Such a group could have done great things here in our current plight.

A House amendment attempts to address harsh penalties already in place for inadvertent claims filed. While the adjustment to a 2-year disqualification from a 5-year disqualification from benefits is an improvement, a 1-year would be substantially better and in line with other states. Locking out claimants for long periods of time (years) can be a life altering experience for workers, and not for the better.

Also, in Sub. For HB 2196 is language that reduces the maximum number of weeks of eligibility for UI benefits. This serves no purpose except to hurt people when they need help the most. Currently 26 weeks is the standard approved by this legislative body. We favor continuing this provision and not "sunsetting" the measure, because again, people need help right now. The

federal government has said as much, providing numerous extension programs. Twenty-six weeks should be made permanent so that when people lose their job through no fault of their own, the safety net of Unemployment Insurance (UI) will keep dollars circulating through the local economy to help businesses and keep talent and expertise here in the state.

Next, lining out specific components as it relates to the information technology system could be problematic. Our concern is for the potential cause of delays. Since such specifics would be put in statute and any deviation could cause more hoops to jump through for modifications chosen by the experts that are contracted out to do the job and meet ASAP timelines. I think we all recognize the urgency.

The Shared Work Program terminology change to Short-Time Compensation could cause some to not recognize it as a resource and hamper participation. Our researchers also say that they are not aware of any other states going in such a direction. We are certain that labor can help promote the Shared Work Program through our network of contacts.

The Kansas AFL-CIO cannot support language that results in reductions of contributions to the UI Trust Fund. Sub. For HB 2196 seeks to do just that with changes to how the Average High-Cost Multiple is calculated. We have heard how the current pandemic prompted this recession and previous recessions were described as “100-year flood” scenarios. We should be mindful that such disasters in the economy are bound to happen and it is safer to be ready than not. Thus, we cannot support cutbacks to the UI trust fund.

Last, we may learn that modernization and improvement could cost more than expected, and I think we should prepare for that. What we do know, perhaps in this building better than anywhere else, is that by deferring costs earlier to upgrade and maintain our system that it would cost more later in the long run. Goals of timelines and objectives are always good to have but taking on this mammoth of a project will require steps or phases. I state this because we have new leadership at KDOL, and we believe we have to let the Secretary and agency be given the time to get the work done. Implementation doesn't always yield immediate results. But in fact, we do see incredible progress in the amount averted with Fraudulent claims. We just believe we need to let the department do the work and be given time to share the results of their new tools. We must oppose Sub. HB 2196 based on the concerns highlighted above. We need to keep supporting Kansans that want to work. But additionally, let's not tie the hands of the experts with too much reporting and diverting of resources (KDOL manpower).

Thank you.