





# Proponent Testimony for HB 2570

The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024

KS House Commerce Committee February 6, 2024 | Phillip M. Hayes

#### Chairman Tarwater 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 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)Publication of KS SUTA Tax Schedules and the effective SUTA tax rate/contributions tax rate tables annually
- 9. Extends the SUTA voluntary contribution deadline from 30 to 90 days after Rate Notice mailed
- 10. Changes the requirement from annual to quarterly charge notice statements
- 11. Removes competition for employees between KS Employers and the Government regarding additional Federal UI \$
- 12. Codifies ESRB candidate qualifications and process clarification language
- 13. Adds supplemental annual data reporting requirements
- 14. General clean-up of old/outdated language

# **Broad KS Business Coalition Amendments:**

- 1. Modified guardrails regarding Temporary Unemployment extensions while complying with the My Reemployment Plan
  - Changing reporting audience and review requirements
- 2. Index TWB in 2026 at 50% of the SAAW
- 3. 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 -0.0005 on 08/21/2025

#### Additional HB 2570 Resources & Perspective:

(1) Cliff Notes (page 2) | (2) Broad KS Business Coalition Amendments (page 3) | (3) Tax Summary & Gen. Responses (pages 4-5)

In closing, we respectfully request your YES vote on HB 2570 with amendments. The Kansas Business coalition strongly supports *The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024*. Thank you for service to our great state and for the opportunity to appear before you. I'm happy to stand for questions now or at the appropriate time. I am also available by phone or email to address any future questions or concerns.

Respectfully,

July SPHR

Phillip M. Hayes, SPHR

Vice President – The Arnold Group

316.619.7864 | phayes@the-arnold-group.com







# HB 2570: Cliff Notes

The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024

February 6, 2024

- 1. Includes 2023 HB 2401 KDOL Provisions (pgs. 3, 38-39, 58, 72-73, 78) and Interview Ghosting (pgs. 29-30); PLUS
- 2. Removes remaining instances of 2008 Great Recession response language from 2011 SB77; abolishes the Employment Security Interest Assessment Fund (pgs. 49, 59-60, 63-67, 69-72)
- 3. Extends the UCMIC sunset date to 12/31/2026; ensures continuity with members, if needed based on new UI IT System (pg. 74)
- 4. Creates new statutory definitions: (pg. 23)
  - Temporary Unemployment to include maximum number of weeks and eligibility provisions
  - Statewide average annual wage or (SAAW) and Statewide average weekly wage (SAWW)
- 5. Creates a new rate group 0 with a 0.00% SUTA tax rate (pg. 52)
  - Limited to rated employers w/ a Reserve Ratio greater than or equal to 100%; negligible impact on the State Trust Fund (STF)
  - · Strategic move to improve the overall Kansas Tax Climate without impacting the health of the State Trust Fund
  - Rewards Positive Rated Employers w/ substantial positive account balances/reserves ratios
- 6. Changes the Trust Fund Control Tables effective for CY 2025 (pgs. 50-52)
  - Adjusts the Trust Fund Control Tables in conjunction with the indexed Taxable Wage Base (TWB)
    - Provides sound State Trust Fund management, system integrity, U.S. DOL conformity standards and general clean up
  - Positive rate groups; adjusts and keeps solvency and credit adjustments
    - Cuts current SUTA tax rates in half and incrementally increase each rate group (RG) by 0.10% versus the current 0.20%
    - Aligns the highest positive rated employer rate group tax rate with the current "New Employer" rate of 2.70%
      - Rate Groups 0 27: Changes tax rate increment from 0.20% to 0.10%
        - RG 0: 0.00% Tax Rate | RG 1: 0.10% Tax Rate | RG 2: 0.20% Tax Rate | ... | RG 27: 2.70% Tax Rate
  - Negative rate groups; removes solvency and credit adjustments; provides static SUTA tax rates (pgs. 53-57)
- 7. Begins indexing and incrementally increasing Taxable Wage Base for all employers beginning in 2026 against SAAW (pgs. 15-17)
  - 2026: 30% | 2027: 35% | 2028: 40% | 2029: 45% | 2030: 50% | 2031: 55% | 2032: 60%
  - All rated employers will have one, standard TWB that is better aligned with their benefits usage
  - · Provides employers more notice with a graduated stepped increase in the TWB over multiple years
    - Average annual delta cost per employee, per year for negative rated employers ranges from \$150 (N1) to \$213 (N11)
- 8. Clarifies/aligns statutory language regarding My Re-employment Plan and the Temporary Unemployment extensions (pas. 81-83)
  - ALL contributing, rated employers: 4 standard, unconditional weeks; approved upon employer request
  - Positive rated employers: *Up to 4 additional, unconditional* weeks available; approved upon employer extension request
  - Negative rated employers: *Up to 4 additional, conditional* weeks available
    - KDOL to review/verify employer is trending in a positive/upward direction; approved if the employer's annual Reserve Ratio calculation has improved by 0.10% between the two most recent rate notices
  - · Highway, street, and bridge construction classified employers exception accounts for unpredictable weather conditions
    - Up to 12 additional, unconditional weeks available, regardless of positive/negative account balance
    - KDOL to review/verify employer for employer classification; approved if
      - Entity is primarily engaged in construction of highways, streets, roads, airport runways, public sidewalks, bridges
- 9. Requires KDOL to publish general, effective SUTA tax rate/contribution tax rate tables annually (120 30 days' notice) (pg. 50)
- 10. Extends the SUTA voluntary contributions deadline from 30 days to 90 days after mail date of the rate notice March 1st (pg. 59)
- 11. Changes frequency of Employer Charge Notices from annual to quarterly (pg. 38)
- 12. Adopts language to halt KS UI weekly benefits in the event any federal UI weekly supplemental payment(s) is greater than or equal to a Kansas UI claimant's calculated weekly benefit amount (pg. 63)
- 13. Codifies Employment Security Board of Review candidate qualifications/clarification language in statute (pgs. 33-34)
  - At least 10 years direct HR experience with HR processes, policies, guidelines or employee relations
  - At least 7 years direct experience with employment security laws and processes
  - Knowledge of unemployment and labor laws
- 14. Adds supplemental annual data reporting requirements (pgs. 80-81)
  - Includes previously overlooked items from the standard annual certification memo
  - Certifies Workshare and Temporary Unemployment provisions/compliance
- 15. General clean-up of old/outdated language (pgs. 24,27,37,39-46, 52, 60, 63-74, 80, 84)





#### HB 2570: Broad KS Business Coalition Amendments

The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024

February 6, 2024

Variables in HB 2570 have been carefully calibrated to work together to ensure long term trust fund solvency, system integrity and tax credit preservation. Small changes will have consequences; the agreed upon changes below will serve the system well.

# HB 2570 Current Language:

- 1. "Temporary Unemployment"
  - a. ALL contributing, rated employers: 4 standard, unconditional weeks; approved upon employer request.
  - b. Positive rated employers: *Up to 4 additional, unconditional* weeks available; approved upon employer request.
  - c. Negative rated employers: *Up to 4 additional, conditional* weeks available if employer trending positive.
  - d. Highway, street, and bridge construction classified employers exception once verified.
    - i. *Up to 12 additional, unconditional* weeks available; regardless of positive/negative account balance.
- 2. Taxable Wage Base
  - a. 2025: Maintains the \$14,000 static taxable wage base and adjusts Trust Fund Control Table only.
  - b. 2026: Begin indexing wage base at from 30% to 60% of the SAAW over 7-year timeframe.
- 3. 1-time, hard reset, negative balance write-off: **NONE.**

#### Amendment Concepts agreed upon by KS Business Coalition on 02/05/24:

- 1. "Temporary Unemployment" (pg. 23)
  - a. Beginning in Calendar Year 2025: (pgs. 82-83)
    - i. ALL contributing rated employers: *4 standard, unconditional* weeks; approved upon request.
    - ii. Positive rated employers: *Up to 4 additional*, <u>unconditional</u> weeks available; approved upon request.
    - iii. Negative rated employers: *Up to 4 additional, conditional* weeks available if employer trending positive.
    - iv. Verified highway, street, and bridge construction classified employers, PLUS ready-mix suppliers.
      - 1. *Up to 12 additional, <u>unconditional</u>* weeks available; regardless of pos./neg. account balance.
    - v. KS max # of UI weeks caps any combo of traditional and/or "temporary unemployment" weeks. (pg. 27)
  - b. Annual Reporting / Review of Temporary Unemployment Impact w/ New Parameters:
    - i. Annual monitoring, evaluation and reporting of "temporary unemployment" insurance impact based on new data reporting. *(pgs. 80-81)* 
      - 1. HB 2570 new data reporting provisions on page 81, lines 7-24 shall be submitted to Commerce Committee Chairs and Legislative Coordinating Council. (pg. 81)
      - 2. High level reporting with aggregate data for public review shall be listed on website. (pg. 81)
- 2. Taxable Wage Base:
  - a. Maintains the \$14,000 static taxable wage base in 2025 with new Trust Fund Control Table adjustments
  - b. Index TWB to 50% of the SAAW in 2026 (50% is critical threshold with 100% debt write-off) (pg. 16)
- 3. 1-time, hard reset, negative balance write-off: 100% of all legacy, negative debt (pg. 49)
  - a. The 1-time write-off to occur in 2025 after Q2 contributions are applied; no earlier than August 21, 2025.
  - b. Applies to all **negative rated employers** that have a reserve ratio less than **0.000%** reserve ratio (RR)
    - i. Negative employers TOTAL estimated write off amount: \$691,781,560
    - ii. Total negative account estimated BALANCE after write-off: \$0.00
      - 1. Much of this debt is uncollectable and will take 50+ years to recover, this levels the playing field.
      - 2. The legacy debt write-off will position all negative rated employers with a neutral **Reserve Ratio** of 0.00% and position them in RG 27 with a 2.70% tax rate beginning in 2026.
      - 3. Neg. rated employers will now have incentive to manage UI claims differently moving forward.





# HB 2570: Tax Summary Overview and General Responses

The Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity, and Tax Credit Preservation Act of 2024 February 6, 2024

The collective reforms in HB 2570 with amendments provide short- and long-term common-sense solutions to (1) balancing employer contributions versus their benefit usage, (2) State Trust Fund and tax credit protections, and (3) overall UI system integrity in Kansas while maintaining competitive UI tax rates and costs, thereby positively impacting our state's broader economic competitiveness. Variables in HB 2570 have been carefully calibrated to work together; all components all designed to work together. Any changes, even small, will have large, unintended consequences. The timing and sequence are imperative for the short- and long-term benefits. The agreed upon changes between the broad KS Business Coalition will serve the system well and have carefully been recalibrated each step of negotiations, time and timing are critical to the success.

#### **Key Takeaways:**

- 1. Addresses equity and fairness issues for ALL rated employers.
- 2. Increases the degree of actual experience rating, tax contributions are aligned and better balanced with benefit usage.
- 3. Aligns the My Reemployment Plan and "Temporary Unemployment" with proper and appropriate quardrails.
- 4. Preserves tax credit tables for the super majority of 97% rated employers that are positive rated/balanced.
- 5. Reestablishes parity between the Taxable Wage Base and the currently indexed max weekly benefit amount.

Kansas employers fund the Kansas State Unemployment Insurance Trust Fund through employer taxes. The system and employment security laws should serve and protect these important tax dollars to ensure funds will be available for claimants who lose a job through no fault of their own.

**97%** of ALL <u>active, rated</u> Kansas employers are **positive rated/balanced**, meaning they **pay more** state unemployment taxes than benefits charged against their accounts.

- 60,157 active, positive rated employers will pay the following amounts under the proposed standard schedule.
  - o Beginning in 2025, tax rates will be cut in half for positive rated employers.
    - Positive rated employers will enjoy a 50% guaranteed tax savings in 2025... 2026 contributions amounts will revert to 2024 levels.
      - 2025: Tax rates are cut in half, taxable wage base static at \$14,000... net 50% reduction.
      - 2026+: Tax rates remain reduced, taxable wage based indexed to 50% (\$27,900)... net neutral.
    - Solvency/credit schedules will be limited only to positive rated employers.
      - Proposed credit schedules are slightly more generous than current; provides path to 0% tax rate.

**3%** of ALL <u>active, rated</u> Kansas employers are **negative rated/balanced**, meaning they **pay less** state unemployment taxes than benefits charged against their accounts.

- 1,913 active, negative rated employers will be limited and pay the following amounts under the standard schedules.
  - o 2025: Tax rates will be become static for negative rated employers.
    - Solvency/credit schedules will be eliminated for negative rated employers.
  - o 2026: Tax rates will be become static for negative rated employers.
    - Prior to calendar year 2026: 1 time TOTAL estimated write off for ALL neg. employers: \$691,781,560.
    - Realignment will shift a higher tax burden to future negative rated/balanced employers.
    - Employers will be 100% in control of UI tax destiny w/ proper internal claims management & processes.

#### 2025-2026 SUTA Tax Tables and Rate Summary:

2025: Static \$14,000 TWB, recalibrate trust fund control tables and corresponding tax rates and solvency/credit adjustments. 2026: Index Taxable Wage Base for ALL employers to 50% of State Average Annual Wage (SAAW).

- Better aligns the benefit costs associated with each employer.
- Tax burden will increase for employers that use the system more consistently/heavily.

# Industry/Sector Perspective:

Employers in lower paying sectors such as Accommodation, Food Service, Health Care Social Assistance, Retail Trade and Education Services are subsidizing negative rated employers in higher paying sectors at a significantly higher rate. If the comprehensive reforms in HB70 are not passed, the tax credit tables will be diminished soon, driving up rates for all the good actors (97%) across the state.

Y	2023 NAICS - Industry Sectors		<u>AVERAGE</u> Sector Employer Reserve Ratios, Rate Groups, & Tax Rates		ALL (Active & Inactive)  NEGATIVE Balanced  Employers		ALL (Active & Inactive)  POSITIVE Balanced  Employers		
Sector #	Industry Sector	Total Sector Employer Count	Reserve Ratio	Rate Group	Tax Rate	#	%	#	%
11	Agriculture, Forestry, Fishing and Hunting	1,987	17.39%	3	0.60%	11	0.55%	1,950	98.14%
21	Mining, Quarrying, and Oil and Gas Extraction	919	12.73%	10	2.00%	24	2.61%	876	95.32%
22	Utilities	141	17.41%	3	0.60%	1	0.71%	138	97.87%
23	Construction	9,406	-9.47%			605	6.43%	8,343	88.70%
31	Manufacturing	547	15.49%	*	1.20%	9	1.65%	523	95.61%
32	Manufacturing	988	14.76%	7	1.40%	30	3.04%	934	94.53%
33	Manufacturing	1,805	-10.20%			55	3.05%	1,697	94.02%
42	Wholesale Trade	7,871	17.04%	*	0 * )%	164	2.08%	7,401	94.03%
44	Retail Trade	3,746	18.30%	2	0.40%	31	0.83%	3,634	97.01%
45	Retail Trade	3,169	17.69%	3	0.60%	18	0.57%	3,065	96.72%
48	Transportation and Warehousing	2,826	16.12%	5	1.00%	73	2.58%	2,646	93.63%
49	Transportation and Warehousing	338	13.66%	8	1.40%	8	2.37%	317	93.79%
51	Information	2,371	4.31%	21	4.20%	58	2.45%	2,169	91.48%
52	Finance and Insurance	5,706	16.91%	4	0.80%	92	1.61%	5,382	94.32%
53	Real Estate and Rental and Leasing	3,254	17.64%	3	0.60%	49	1.51%	3,096	95.14%
54	Professional, Scientific, and Technical Services	16,400	15.74%	5	1.00%	253	1.54%	15,145	92.35%
55	Management of Companies and Enterprises	573	17.38%	3	0.60%	12	2.09%	515	89.88%
56	Admin. & Support & Waste Mgmt & Remediation Services	8,247	15.14%	7	1.40%	238	2.89%	7,518	91.16%
61	Educational Services	1,247	18.08%	2	0.40%	7	0.56%	1,183	94.87%
62	Health Care and Social Assistance	10,796	17.02%	4	0.80%	77	0.71%	10,345	95.82%
71	Arts, Entertainment, and Recreation	1,136	18.86%	1	0.20%	11	0.97%	1,083	95.33%
72	Accommodation and Food Services	5,713	19.13%	1	0.20%	27	0.47%	5,501	96.29%
81	Other Services (except Public Administration)	7,742	14.49%	7	1.40%	59	0.76%	7,421	95.85%
92	Public Administration	211	17.45%	3	0.60%	1	0.47%	207	98.10%
	Totals					1,913	1.97%	91,089	93.77%

<sup>\*</sup>A few employers in NAICS sectors 23 & 33 are so grossly negative, their combined negative balance significantly overshadows most all other employers in their sector.

- The overall Kansas legacy UI system parameters (non-IT) from inception largely through 2015 and the regulatory loophole since 2015, ultimately positioned a handful of employers in an untenable position.
- Negative, legacy debt write-off provisions benefit employers in EVERY sector across the state and shall provide a level playing field for each employer moving forward.
  - o Once HB 2570 becomes law, ALL Kansas employers will have more incentive to manage their unemployment claims proactively and will be properly positioned to control their own UI tax destiny moving forward.

# **Bottom Line:**

- 1. This 4<sup>th</sup> chapter/installment of KS UI reforms resets the program for ALL employers. The last verse goes like this...
- 2. 2025: \$14K static TWB & trust fund control tables/tax schedules; 2026: index TWB to 50% of SAAW.
- 3. Proper "temporary unemployment" insurance guardrails in effect beginning CY 2025; will discourage over utilization.
- 4. All positive rated employers received a 50% tax rate reduction in 2025 (est. savings \$78M).
- 5. All negative rated employers will be completely out of their debt position beginning in 2026.
  - a. August 2025: 100% negative debt write-off of an estimated \$691.7M
    - i. In CY 2026 ALL negative rated employers will go to positive Rate Group 27 @ a 2.70% Tax Rate.
      - 1. \$27,900 x 2.7% = \$753.30 max SUTA cost per employee, per year. 2024 current std rate \$1,064.
  - b. January 2026: EVERY rated employer in Kansas will be positive rated and will be 100% in control of their unemployment insurance tax destiny with proper internal claims management and processes.
- 6. Calibrated indexed taxable wage base (w/ reduced tax rates) to the already indexed weekly benefits for claimants.
- 7. Any Kansas employer (regardless of size, industry, or sector) may establish an optional, private Substitute Unemployment Benefit Pay Plan (SUB-PAY Plan).
  - a. Provide employers an alternative option to traditional temporary benefits and are frequently used by employers who experience more frequent temporary lavoffs.
    - i. SUB-PAY Plans are private trusts established by an employer defining parameters based on their business.
    - ii. Provide employers an alternative option to traditional temporary benefits and are frequently used by employers who experience more frequent temporary layoffs.
    - iii. SUB-PAY Plans are common in the U.S.; Kansas has several employers across the state w/ active SUB-PAY Plans.

# 02/05/24 Observations/Questions – KS Business Community Responses:

- 1. Interview Ghosting (Anecdotal) vs. Job Refusals (Actual) Page 29
  - a. Work search reporting: Claimants report employers
  - b. Interview ghosting: Employers report potential claimants
    - i. This is strictly voluntary... it's not a mandate or requirement for employers
    - ii. Employers are not asking for status updates, simply only seeking accountability
      - 1. Open to implementation date of 7/1/2026
  - c. Interview Ghosting (Anecdotal) vs. Job Refusals (Actual)

#### **Job Refusal Determinations:**

	Total Determinations	Total Claimants Denied Benefits as Result of Determination	Total Claimants Found to Have Good Cause for Job Refusal	% of Claimants Denied Benefits as Result of Determination	2021-2024 YTD % of Claimants Denied Benefits as Result of Determination	
2024 Totals YTD: 1/31/2024	28	26	2	92.86%		
2023 Totals:	141	115	26	81.56%	85.34%	
2022 Totals:	202	202 175		86.63%	83.3476	
2021 Totals:	127	109	18	85.83%		

- i. U.S. DOL / KDOL Benefit Accuracy Measurement Audits: Est. 300 annually; Avg. 14% over pymt rate
- ii. U.S. DOL / KDOL Weekly Search Audits: X (?) annually
- 2. Temporary Unemployment Guardrails
  - a. Similar to Shared Work Program Guardrails have not hindered program usage **Shared Work:**

	Total Plan in Effect	Total Employers Enrolled*	Total Employees**	
2024 Totals YTD: 1/31/2024	119	80	5,020	
	Total Plan in Effect	Total Employers Enrolled*	Total Employees**	
2023 1 Yr Ago: 1/13/2023	74	62	2,557	

3. My Reemployment Plan Compliance Impact

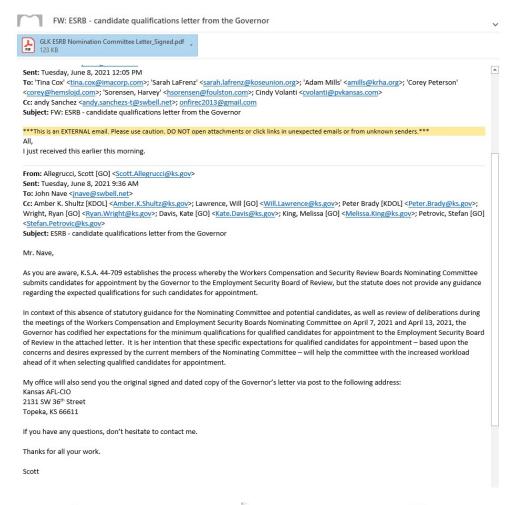
# My Re-Employment Plan (Cumulative Totals):

2024 Totals YTD: 1/31/2024	640	In Compliance	Noncompliant**	172	Active Cliamants Enrolled*  KDOL  No Longer Reporting
2023 Totals:	8,940	3,674	5,266	3,255	
2022 Totals:	42,127	29,043	13,610	9,169	

- 4. Federal UI Benefits restriction for KS UI Benefits *Page 63*:
  - a. Private business should not have to compete with the government and benefit levels that are not aligned for our state for employees.
  - b. Kansas employers were competing against the government benefit rate of \$28.75 hourly for employees.
    - i. Nebraska figured this out 3 years ago... they reduce state benefits to offset to ensure compliance.
    - ii. At the heart of unemployment programs... employment & reemployment is the real name of the game.
    - iii. Kansas should adopt policy to encourage employment, not cause a stalemate because of Govt.

# Employment Security Review Board Qualifications Pages 33-34:

- 1. KS Business Community is seeking to codify candidate requirements and priorities outlined by Governor Kelly in 2021
  - a. Concerns exist that Governor Kelly's item "d. Legal education and experience" is too subjective.
  - b. HB 2570 qualifications are not unwarranted, restrictive or rearranging standing priorities.





TO: John Nave, Chair, Workers Compensation and Employment Security Boards

FROM: Governor Laura Kelly

Review of K.S.A. 44-709 confirms that the members of the Workers Compensation and Security Review Boards Nominating Committee are being asked to evaluate candidates for appointment without any statutory guidance regarding the expected qualifications for such candidates for appointment.

K.S.A. 44-709 (f)(2) reads:

When a vacancy on the employment security board of review occurs, the workers compensation and employment security boards nominating committee...shall convene and submit a nominee to the governor for appointment to each vacancy on the employment security board of review, subject to confirmation by the senate. The governor shall either: (A) Accept and submit to the senate for confirmation the person nominated by the nominating committee; or (B) reject the nomination and request the nominating committee to nominate another person for that

The statute does not appear to provide any requirements, prescriptions or limitations regarding the professional qualifications of candidates for appointment to the Employment Security Board of Review.

Furthermore, deliberations during the meetings of the Workers' Compensation and Employment Security Boards Nominating Committee on April 7, 2021 and April 13, 2021 reveal a lack of historical guidance as well:

- The committee has apparently (historically) never codified specific qualifications for a candidate for appointment;
   The current committee discussed ideal qualifications but failed to come to a
- 3. Some of the qualifications discussed were experience with the unemployment process and employment security, knowledge of HR guidelines, and some experience
- 4. The board seems to concur that the none of the applicants had enough experience to
- serve on the ESBR;

  5. But also that the committee was operating without any clear standards or specific expectations regarding candidate qualifications



The review board members serve as judges in an administrative legal proceeding, so in addition to employee relations and HR experience and experience with workers comp, it seems ideal that at least some board members would have experience with the law in general and with the specific subject matter that they are asked to adjudicate. Especially as the ESBR expands temporarily per HB 2196, Kansans should not be choosing between legal experience and skill OR unemployment work history in terms of board members adjudicating their cases at this level.

I believe it would benefit the committee and the entire workers' compensation and employment security review system to clarify the experience and skills that should be possessed by a qualified candidate for appointment. To that end, my expectations for the minimum qualifications for qualified candidates for appointment to the Employment Security Board of Review, in order of priority, are:

- a. At least eight years direct experience with HR processes, guidelines and/or employee relations.
- b. Direct experience with employment security laws and processes.
- c. Knowledge of unemployment/labor laws.
- d. Legal education and experience.

If you have any questions, please contact Scott Allegrucci, Director of Appointments.

