

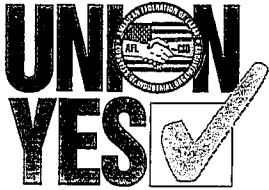
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TESTIMONY

On HB 2124 Before the
House Commerce, Labor and Economic Development Committee
By Andy Sanchez, Executive Secretary-Treasurer, KS AFL-CIO
February 6, 2013

Thank you Chairman Kleeb and members of the committee. I appreciate the opportunity to share our perspective on HB 2124. The State Employment Security System has served Kansans well through a very tough economy and the state is showing signs of recovery. But, because this bill harms Kansans unable to find work and solvency of the UI trust fund is not yet achieved, to make sweeping changes now could jeopardize our momentum, and thus, we oppose HB 2124.

This is the second of two bills seeking extensive changes to employment security law and the bill maneuvers to tip the scales of balance in favor of employers. It takes a several pronged approach to stabilizing the Employment Security Trust Fund. In addition to the new provisions proposed in HB 2124, with HB 2105 it is safe to say that these are significant reforms and the effects could be dramatic.

The biggest cause for concern would be the reduction in the number of regular weeks to 20 from 26 weeks and this will hurt lots of people. For those who happen to live in areas where unemployment is consistently and historically higher this is terribly unfair because it is based on a statewide formula of a 6% unemployment rate. On the whole we believe reducing benefits when people need them the most (and they absolutely can't find work), that this will simply drive them to access some type of government assistance program.

On pages 2 and 3 of the bill it appears to add new language seeking to insure that Holiday, Vacation and Severance pay of any kind would be counted against an individual's UI benefits. In these cases, these benefits were earned and part of an employer's policy or conditions of work and this should not be to the detriment of qualifications for UI benefits. After all, vacation is accrued and severance is either part of a separation agreement or a reward for longevity. It doesn't seem right for the government to enter into that relationship. Additional concerns are in the subsection (3)(A) of page 9 concerning misconduct. This provision could leave an employee out in the cold with regards to benefits when they had just a single instance of being late (Tardy) or just forgot to put on a hard hat in a designated area (safety).

Finally, the UI system worked like it was designed to work and the economy is on the rebound in our state. Borrowing has been reduced and the fund can now be replenished so that we can get to a point where the State does not need to borrow. In your capacity as lawmakers we respectfully ask that you move cautious before adopting whole sale reforms such as these. In consideration of these changes to UI, we should insure that no Kansan deserving of benefits is mistakenly denied of those benefits. Should HB 2105 pass, its impact will be felt; to add these changes is just too much. Please oppose HB 2124.

