



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
816 SW Tyler, Topeka, Kansas 66612 | 785.220.5211

February 4, 2021

To: House Committee on Appropriations
From: Randy E. Stookey, Senior Vice President of Government Affairs
RE: **Joint, Proponent, Written Testimony on HB 2195, holding employers harmless for fraudulent unemployment insurance claims and reimbursing the unemployment insurance trust fund with moneys from the state general fund for improper benefits payments.**

Chairman Waymaster and members of the Committee, thank you for the opportunity to provide testimony in support of House Bill 2195. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities provide gainful employment for thousands of Kansans. As such, our member companies are contributing employers, for each employee, into our state employment security fund.

The COVID-19 pandemic caused a rush of unemployment benefit claims to be filed with the Kansas Dept. of Labor. Unfortunately, we have now learned that, along with many legitimate claims, an overwhelming number of fraudulent unemployment applications were submitted to the department. It has also now been brought to light that, potentially, hundreds of millions of dollars have been paid from our employment security fund to fraudulent applicants.

This is a travesty for our state, to be sure. What is clear, however, is that the contributing employers of the state of Kansas should not be required to reimburse the fund for those fraudulent payments.

We appreciate the intent of this bill - to hold contributing employers harmless for these fraudulent payments - as it is the right, fair, and equitable position for the state to take on the issue of replenishing the fund.

For this reason, we stand with other proponents in strong support of House Bill 2195, and would respectfully request that this Committee pass the bill out favorably.