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**Written Testimony in Support of HB 2196  
House Commerce, Labor & Economic Development Committee  
Tuesday, February 9, 2021**

**Submitted by Jennifer Bruning, Executive Director, Kansas State Alliance of YMCAs**

Chairman Tarwater and Honorable Members of the Committee:

The Kansas State Alliance of YMCAs is an organization that brings together 11 Kansas YMCA associations in 27 diverse communities around the state and serves over 500,000 Kansans. At the Y, we're for healthy living, youth development, and social responsibility. Our mission is to put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

We are submitting written testimony today in support of the provision in House Bill 2196 which holds reimbursing employers and other 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. More specifically, while we realize that the high number of fraudulent unemployment claims in Kansas has heavily impacted all employers and taxpayers, including our YMCAs, and support the proposed relief efforts, we actually understand and read this bill to fully (1) hold reimbursing employers (including nonprofit organizations) harmless for **ANY** unemployment claims and benefits (not just fraudulent ones) and (2) freeze automatic rate increases for contributing employers (including nonprofits) from 3/15/2020 through 12/31/2021. This is accomplished by prohibiting any contributing employer, rated governmental employer, or reimbursing employer's account from being charged for any benefits paid during that period of time:

*HB 2196, page 36, lines 21-23: (1) (i) No contributing employer, rated governmental employer or reimbursing employer's account shall be charged for any benefits paid beginning on March 15, 2020, through December 31, 2021.*

The Kansas Alliance of YMCAs wholeheartedly supports holding reimbursing and contributing employers harmless for **ALL** unemployment claims throughout the duration of the COVID-19 pandemic.

Kansas Ys and countless other nonprofits in the state of Kansas need relief from overwhelming unemployment claims. For decades, nonprofits of all sizes have elected to self-insure for unemployment due to the unequal impact of unemployment taxes on nonprofit organizations. The system has worked well, but—like the state system— it cannot fund the unprecedented unemployment claims associated with the pandemic. With only 50% federal reimbursement of our costs through the CARES Act, Kansas nonprofits still face hundreds of thousands in claims. Without further relief beyond the federal 50% contribution, looming claims will result in significant service reductions, more job loss, or even the closure of some community institutions like YMCAs.

Nonprofits have historically been good stewards of their self-insured claims, but the pandemic has caused unprecedented unemployment for everyone. Ys all across Kansas have stepped up to serve our communities during the COVID-19 crisis. We have been providing critical services such as emergency childcare for hundreds of children of essential workers, feeding thousands of children and families, offering remote learning support to 1,300 school kids each day thus allowing their parents to work, and conducting wellbeing checks with seniors.

This issue - holding employers harmless for unemployment insurance claims from March 15, 2020 through December 31, 2021- will provide a lifeline for many Ys and other nonprofits, and it can make the difference in whether our doors remain open and critical services continue at a time when our communities need us most.