



Kansas State Council
Society for Human Resource Management
(KS-SHRM)



Testimony in Favor of HB 2105
House Commerce Committee
Natalie Bright
February 5, 2013

Chairman Kleeb and honorable Committee Members,

I am Natalie Bright appearing in support of HB 2105 on behalf of my client the Kansas Society for Human Resource Management (KS SHRM). This bill was requested by the Kansas Department of Labor (KDOL), whom we have been working closely with over last several months on ways to improve and stabilize the Kansas Unemployment Insurance Trust Fund (UI Fund). The members of KS SHRM support the provisions of HB 2105 because we believe it addresses some longstanding concerns of our members and will assist in bringing more balance to the UI Fund.

Prior to 2009, the UI Fund was recognized as one of the premiere funds in the nation. Its balance remained consistently high and the state of Kansas was not in a borrowing state. However, in 2010 our UI Fund quickly began to dwindle as the Kansas economy turned downward and a record number of Kansas workers began drawing benefits. Suddenly, our once flush trust fund was depleted. Before any action could be done to stop it, the fund went bankrupt.

Today, the fund is still in and out of a borrowing state, but with the assistance of the new administration and Secretaries of Labor, it is stabilized and efforts are underway to begin to replenish the fund. In 2014, when the current caps in place are lifted, Kansas employers will be faced with an additional **\$90 million in assessments** to the UI Fund. While most of the burden of replenishing the UI Fund lies on the backs of Kansas employers, we do believe there are system changes, which if implemented, will assist in replenishing the UI Fund in a more equitable fashion.

Replenishing the UI Fund is going to be expensive and is going to take more than just employer contributions to the system. Passage of HB 2105, in conjunction with HB 2124 is a step in the right direction. Thank you for the opportunity to appear before you. I would be happy to stand for questions at the appropriate time.

House Commerce & Economic
Development Committee
Date: 2.6.13
Attachment #: 1