

Testimony before House Commerce and Economic Development
House Bill 2105- Unemployment Insurance
Presented by Eric Stafford, Senior Director of Government Affairs



Tuesday, February 5, 2013

Mr. Chairman and members of the committee:

My name is Eric Stafford. I am the Senior Director of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in support of House Bill 2105.

The last few years have been a difficult time for employers and employees. The state's employment security trust fund has borrowed over \$300 million. Employers faced significant rate increases and thanks to help from the legislature, HB 2676 established rate caps and offered flexibility to employers in paying their UI taxes in 2010. In 2011, the legislature passed SB 77 which continued those rate caps through 2014 and expanded the negative balance category to include 10 new rate groups.

These steps, while important, have lessened the financial impact felt by employers, but were seen as short-term fixes to the fund. As our economy slowly recovers, we must look at ways to improve our UI system through a combination of structural changes, and clarifying statute to protect the intent and integrity of the fund. We must also get back to a system which is based on experience rating, one in which rates reflect an employer's usage of the system.

HB 2105, as introduced by the department of labor, makes positive changes in several areas. One of the first steps is to state that both employers and employees are entitled to a neutral interpretation of the law. HB 2105 also addresses several items from last year's legislation which unfortunately did not pass the legislature, including clarifying holiday and vacation pay provisions.

This committee will also be hearing testimony on House Bill 2124. There is some overlap between HB 2105 and HB 2124 and we would support the holiday and vacation pay language included in HB 2105, as well as the language updating the misconduct provisions in statute.

In closing, we feel these changes will go a long way toward improving the integrity of the Kansas UI trust fund as our state begins to experience economic recovery. Thank you for the opportunity to speak in support of House Bill 2105 and I would be happy to answer any questions.



The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. Chamber represents small, medium and large employers all across Kansas.

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House Commerce & Economic
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