



Testimony for KS House General Government Budget Cmte
HB 2785: Employment Security Law.

March 21, 2018 – Topeka, Kansas

Submitted on behalf of The Kansas State Council of the
Society for Human Resource Management (KS SHRM)

By Phillip M. Hayes, SPHR

316.619.7864 | phayes@the-arnold-group.com



Dear Members of the Committee:

My name is Phillip M. Hayes and I am here today on behalf of The Kansas State Council of the Society for Human Resource Management (KS SHRM) in **opposition of HB 2785**. I am the Vice President of HR Services and Operations for The Arnold Group, A Human Resource Company in Wichita, Kansas. Additionally, I currently serve as the Chairman of the Kansas Employment Security Review Board, which I have served on since March 2014. As an HR professional with nearly 20 years of experience, my focus is on people and employee development with extensive experience in recruiting, employee development and workforce planning. I have also been a local, state and national SHRM member for more than 20 years and most recently served as KS SHRM Director.

For those unfamiliar with KS SHRM, it is a professional organization comprised of 2,400+ HR professionals in Kansas. KS SHRM serves the needs of HR professionals and advances the interests of the HR profession throughout the state. As HR professionals, our members are responsible for developing and implementing workplace policies and practices that comply with federal, state, and local laws and provide guidance to line managers on fair and effective people management. Our members serve public and private sectors as well as large and small businesses. The focus of the HR professional is to serve as a facilitator between the employer and employee(s) so that a safe and productive work environment is achieved. On a daily basis our members are on the front lines when it comes to important employment issues such as:

- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations
- Workers' Compensation
- Unemployment Insurance

Beginning in early 2010, I began chairing the KS SHRM – KS Unemployment Insurance Committee. In that journey, I received feedback from more than 1,000 employers from across the state by speaking to local community groups, business organizations and conferences. The KS SHRM UI reform initiatives generated a tremendous amount of support. KS SHRM surveyed our membership and met with many organizations over several years regarding concerns with the KS unemployment insurance system.

Today, KS SHRM stands in **opposition of HB 2785** because it proposes undo recent provisions that were very concerning to the KS HR community for a number of years:

- In 2013, HB 2105 was passed which enlarged the period of disqualification from 1 to 5 years and imposed a monetary penalty equal to 25% of benefits paid (in addition to repayment of 100% of benefits received). A minimum 15% penalty is required by federal law.
 - Permit KDOL levy and lien authority to aid in collection of benefit overpayments and allows KDOL to pass federal offset costs onto claimants who have a fraud overpayment.
- 2007 Legislative Post Audit Findings:
 - KS ranked the highest in the US for 2005 at 44.7% in overpayment rates
 - Arizona ranked 2nd at 34.2%
- Federal data showed KS had highest rate from 2003-2005
 - 87% of payments to be in error (claimant had not met statutory requirement to register for job services)

In closing, KS SHRM strongly **opposes the changes outlined in HB 2785** without further discussion and consideration, therefore KS SHRM **respectfully requests your NO vote** at this time.

Thank you for service to our great state and also for the opportunity to appear before you. I would be happy to stand for questions now or at the appropriate time. Additionally, I can be contacted at 316.619.7864 or by email at phayes@the-arnold-group.com for questions/concerns.

Respectfully,

Phillip M. Hayes, SPHR
VP, HR Services & Operations – The Arnold Group
Chairman, Kansas Employment Security Review Board