



House Committee on Appropriations

Testimony in Support of House Bill 2195

Presented by Eric Stafford, Vice President of Government Affairs

Thursday, February 4, 2021

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2195, which holds employers harmless for fraudulent claims filed under the unemployment system between March 2020, and December 2022.

Kansas has seen an unprecedented number of UI claims filed over the past 12 months due to the pandemic. However, as we moved through 2020, there was growing concern among the business community on the increase in fraudulent claims recorded under their UI accounts. As trends continued into the summer months, the business community expressed its concern to department of labor representatives. Employers were told the situation was under control. Fast forward to January of this year and we saw close to 70,000 UI claims filed. This placed Kansas as the third highest state in the nation for the number of UI claims, more than New York and Texas, and 22,000 more than all of our surrounding states combined. Meanwhile our state's unemployment rate is 3.8%. The math does not add up.

Our trust fund that had \$1.2 billion last January is now depleted. Those dollars are 100% funded by employers and the fund will have to be built back. We strongly believe that employers should not be responsible for any claim that has been fraudulently paid out during this pandemic. In many cases, fraud was reported by the employer but benefits were still paid out. That money is not coming back to Kansas. In addition to the concern from employers on fraudulent claims, they're also trying to comfort employees who are ID theft victims concerned about how their personal information was obtained.

In closing, it is clear we have a much bigger problem on our hands than what was initially portrayed. We appreciate the opportunity to testify in support of House Bill 2195, and I am happy to answer any questions at the appropriate time.