

Greater Kansas City Building and Construction Trades Council, AFL-CIO

Affiliated With The Building and Construction Trades Department



To: Senator Rob Olson and Members of the Committee
From: Alise Martiny, Business Manager, Greater Kansas City Building Trades Council
Re: Testimony in Opposition to SB 177
Date: February 17, 2021

Chairman Olson and Members of the Committee,

The Greater Kansas City Building & Construction Trades Council represents approximately 25,000 working men and women many of whom work and live in Kansas. The Council writes to you today to testify in opposition to SB 177 as it is currently written. While the Council currently opposes SB 177, there are aspects of the bill we support. We support SB 177's efforts to resolve fraud our unemployment system has experienced during the COVID-19 pandemic. However, the changes to unemployment benefits within SB 177 will not alleviate unemployment fraud but instead harm Kansans.

SB 177 changes the rate triggers (Percentages that determine how long a claimant may receive benefits) and the maximum duration for how long a claimant can receive unemployment benefits. The Building Trades Council does not feel changing the amount of time a claimant can receive benefits will alleviate our system's current issues. The Council believes no changes should be made to the benefits unemployed Kansans may receive.

Additionally, SB 177 seeks to protect and make whole employers who have been victims of unemployment fraud through reimbursement for fraudulent claims. While Council supports this effort, why does SB 177 only protect employers? Currently, if an individual is deemed to have committed unemployment fraud, they are barred from receiving unemployment benefits for five (5) years, one of the strictest penalties in the nation. However, there is nothing in SB 177 that ensures individuals who were the victim of these fraudulent claims will not be barred from receiving unemployment benefits for five (5) years, now or in the future.

More than 40 states have penalties for unemployment fraud barring individuals from receiving unemployment benefits for one (1) year or less. While the Council understands efforts to penalize individuals that have committed unemployment fraud, we support an amendment removing or reducing the five (5) year ban to align with penalties across the country.

The Greater Kansas City Building Trades Council also urges the Committee to consider amending changes made to the Shared Work program. In SB 177, the Secretary of Labor must work with specific entities, including area chambers of commerce, to promote the program. The Council would like to see an amendment that would include labor unions. Labor unions are present in almost every industry and would aid in the promotion of the program.

Thank you for your time today. Should the Committee have any questions, please do not hesitate to contact me alise@buildkc.org.

Sincerely,

Alise Martiny