

February 6, 2021 Update

Anywhere from 100–300 emails, and several phone calls are coming in every day. I do read every one of the emails and will address the major issues about which I am hearing from many of you.

Kansas Department of Labor (KDOL): Unemployment Insurance, Fraud, and 1099's

The U.S. Department of Labor's most recent weekly data indicates that Kansas had the second highest number of unemployment claims in the nation. Only Illinois had more, and we replaced California as number two. Kansas is responsible for over 9% of all unemployment claims in the United States but has less than 1% of the nation's population. Kansas has seen 1 million claims for initial unemployment benefits. That means 70% of Kansas's workforce applied for benefits. That is, very simply stated, not the case.

The truth is many Kansans had claims made by someone else using their personal information. In addition, many who have a legitimate and pressing need for benefits were unable to receive the benefits because of the fraud. The emails I receive asking for help are gut-wrenching and I try my best to intercede. As a single legislator I have no power to order the Governor and her agencies to be responsive to the people of Kansas in their time of crisis and cries for help. I forward on the emails I receive to the Governor's staff and push for the long-deserved help. In all my time in the legislature I have never seen a situation this dire.

As a member of the House Commerce Committee, we have repeatedly questioned the KDOL as to the cause of the problem and how to fix it, along with the legislature's offer to help in anyway we can. We have been met with the common reply, "We will have to get back to you." I asked their leadership, which is changing almost weekly, "Were you hacked?" Their answer was, "No." Their answer may be technically correct. If there were no security measures in place, making it very easy to enter the system and request benefits, then the operators of the system were negligent for sure.

The results are staggering. The Unemployment Insurance (UI) Trust Fund had a \$1 billion dollar balance before the pandemic began. If the experts are correct, we are within days of depleting all the trust fund. The sad truth is that those payments are gone, most likely overseas, and will never be returned. Fraud claims are ongoing against individuals, unaware of their names being used, and now they are receiving 1099's that they will owe income taxes on benefits received. Also, businesses are receiving notice that they will be hit with large increases in UI payments to replenish the trust fund. Their payments could easily exceed their income tax liability in the future.

So, what now? The legislature is working to hold both the individuals and the businesses who were victims of fraud, harmless. HB 2195 received a hearing in the Appropriations Committee and HB 2196 will be heard in the Commerce Committee next week. If we can pass the bills, then we are still left with the problem of a bankrupt UI Trust Fund and how to replenish the \$1 billion, of which we still do not know how much was paid out to crooks. The Governor was warned by both the US Department of Labor and Kansas Legislators as far back as last March

that there was a problem with the unemployment situation in Kansas. The legislature has asked the Governor to use some of the Federal Stimulus Funds to help replenish the trust fund. She has said that the KDOL will have to borrow the money from the U.S. Department of Labor. This is yet another bill our children, grandchildren, and businesses will have to pay off in the future, if she gets her way.

If you have received an incorrect 1099 form KDOL, you can dispute the claim in one of three ways:

1. Call the KDOL Tax Call Center at 785-575-1461 or 1-888-499-0063. They are open Monday through Friday from 8 a.m. to 8 p.m. and on Saturday from 8 a.m. to 2 p.m.
2. Complete and return the unsworn statement <https://www.dol.ks.gov/docs/default-source/ui-benefits-forms/1099-g-forms/k-frd-100.pdf> or
3. Complete the online form <https://www.uiassistance.getkansasbenefits.gov/>

Covid-19 Vaccinations

I am receiving many complaints concerning the availability and the prioritization of who receives the vaccination. The legislature has no control over the immunization supplies or the prioritization. The Federal Government controls the supplies, the CDC and the Kansas State Department of Health and Environment control local distribution and prioritization. That simply means the Governor and Dr. Lee Norman are responsible. The last link is your local county health department, who are dependent on all the above agencies for supplies and guidance.

Tax Committee

The Tax Committee is busy with hearings and background information presentations on all forms of tax. The Governor's tax proposals are to more aggressively tax internet sales by implementing a law to force internet sites that act as an intermediary for small operations to sell their goods to collect the tax and remit to the state. SB 13 is the property tax transparency bill that will be heard the next couple weeks due to the number of individuals wishing to speak on the bill.

Staying Connected to Your Government

Due to Covid and other circumstances the public is not welcome in the Capitol. Because of that the Capitol was rapidly transformed into a broadcasting powerhouse. You are now able to watch any committee meeting live. I consider this a great move forward for transparency and accountability. To get there, go to the Kansas Legislative website, [www.http://kslegislature.org/li/](http://kslegislature.org/li/). At the Home page, lower right is a box labeled "Audio/Video Broadcast" and within the box is the line "House & Senate Video." Simply click on that line and then you will find the listings for the committees in YouTube.

My phone number is 785-296-7310, and my state email address is ron.highland@house.ks.gov. At my website, www.ronhighland.com, you can find a syllabus that explains in detail how to get the legislative information you need. As always, it is an honor and privilege to serve you.