



Feb. 18, 2020

Legislative Response to Aviation Layoffs

Multiple bills have been introduced over the last two weeks to help address the crisis related to the aviation layoffs associated with the grounding of the 737 Max. On Friday, the Wichita Regional Chamber of Commerce's Government Relations Committee voted to endorse legislation that moves the maximum number of weeks for receiving unemployment benefits from 16 weeks to 26 weeks. This extension of benefits would sunset on April 1, 2021.

The Chamber and our business advocacy partners have worked hard over the years to pass legislation that shored up the Unemployment Insurance Trust Fund and reduced unemployment tax rates for our members. This decision does not depart from that commitment. The fund currently has a balance exceeding \$1B. While extending benefits to 26 weeks and then sunsetting that temporary statute in a year will have a minor impact on the balance in the Trust Fund, it will not negatively impact the fund's stability or solvency.

This is a unique set of circumstances that are of no fault of the laid-off workers from Spirit or the associated supply chain companies, nor is it the fault of Spirit. It's also a temporary situation. If the state economy was in recession the overall unemployment rate would be higher. Higher statewide unemployment rates would automatically extend the number of benefit weeks (current law provides that when the three-month seasonally adjusted average unemployment rate for the entire state is less than 4.5%, a claimant shall be eligible for a maximum of 16 weeks of benefits; between 4.5% but less than 6%, a maximum of 20 weeks of benefits; or more than 6%, a maximum of 26 weeks of benefits). The current situation affects one industry in predominately one region of the state and the sunset provision in the bill would return us to current law next year. It also allows the Legislature a few months at the beginning of the 2021 Legislative Session to assess the situation and make other changes as the industry and economic climate dictates.

It is critical to the future of our region and our economy that we come together as a community and state to both show compassion for those laid off and to do everything possible to keep these highly talented and highly trained professionals in our state. Keep in mind also that those who are receiving unemployment are required to look for jobs while they're receiving unemployment benefits. There are job fairs and hiring events scheduled for local employers in our community to help those who have been laid off find new employment while the situation unfolds. "This too shall pass," and when it does, our economy will benefit greatly by having these talented Kansans here and ready to go to work.

As a reminder, a group of partners in the community, including your Wichita Chamber, have been involved in putting together the [Air Capital Commitment](#) for impacted workers. This effort is a coordinated community response to keep and support our world-class people and companies in the region.