

KDOL Unemployment Modernization Update

**Amber Shultz
Secretary of Labor**



**Unemployment
Compensation Modernization
& Improvement Council**

December 14, 2023

KDOL Mission Statement

The Kansas Department of Labor provides workers and employers with information and services that are accurate and timely, efficient and effective, fair and impartial.

Administered by employees that understand the value and importance of public service to their fellow Kansans.



2023 Goals

1

IT Security, Disaster Recovery, Business Impact Analysis, Incident Response Plans

2

Continue Unemployment Insurance Modernization

3

Agency focus on Organizational Excellence, building on COOP and change management

4

Expand Governance Structure between IT and business units

5

Expand on employee engagement and communication

UI Trust Fund Overview



Trust Fund Balance

- A monetary reserve funded through payroll taxes paid by employers.
- Entered the pandemic with one of the healthiest trust funds in the nation.
- Trust fund remained cash flow positive and outperformed projections during the pandemic.

Trust Fund Balance

\$1,316,187,172

Trust Fund balance (July 31, 2023)

\$995,713,153

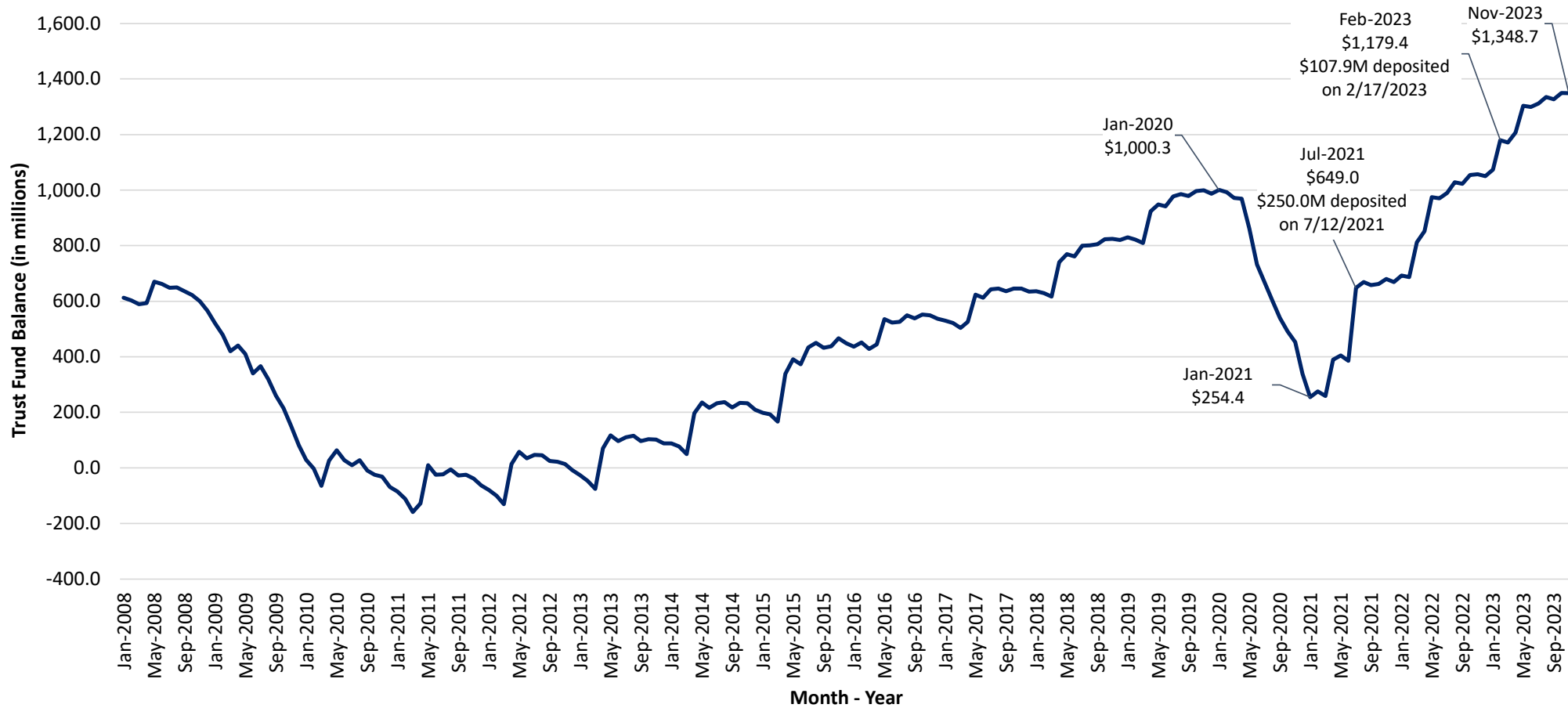
Trust Fund balance (July 31, 2022)

\$656,641,224

Trust Fund balance (July 31, 2021)

Trust Fund

Trust Fund Balance
January 2008 - November 2023



Source: Kansas Department of Labor, Labor Market Information Services; Fiscal 2012 Files

Deposits Into UI Trust Fund

Deposit Date

July 12, 2021

February 17, 2023

Deposit Amount

\$250,000,000

\$107,900,000

Trust Fund Solvency

- **KDOL is required to submit an annual certification of the solvency and adequacy of the trust fund.**
- **All data used for solvency calculations are based on the state fiscal year.**
- **The trust fund balance utilized is the July 31st balance in order to capture payroll taxes due for the 2nd quarter.**

In 2023, the Trust Fund was certified as solvent.

Trust Fund Solvency

- Trust fund adequacy is measured by the average high cost multiple, which is calculated by dividing the reserve fund ratio by the average high benefit cost rate.
- The three state fiscal years with the highest benefit cost rates are 2009, 2010, and 2021.

$$\text{Average High Cost Multiple} = \frac{\text{Reserve Fund Ratio}}{\text{Average High Benefit Cost Rate}}$$

Trust Fund Solvency

The **reserve fund ratio** is calculated by dividing the July 31st trust fund balance by state fiscal year total wages X 100.

The **benefit cost rate** for each state fiscal year is calculated by dividing the state fiscal year benefits paid by the state fiscal year total wages. Average the three highest benefit cost rates experienced in the most recent 20 years to obtain the **average high benefit cost rate**.

\$1,316,187,172
Trust Fund balance (July 31, 2023)

\$64,538,474,373
Total wages of contributing employers (fiscal year 2023)

2.039
Reserve fund ratio

1.142
State fiscal year 2009

1.434
State fiscal year 2010

1.096
State fiscal year 2021

1.224
Average high benefit cost rate

Trust Fund Solvency

- Using those figures for the 2023 certification, the average high cost multiple is calculated to be 1.666.
- This indicates the Trust Fund could potentially pay benefits for one year and eight months at rates similar to what was experienced during the COVID-19 pandemic or the great recession.
- Employer tax rates for each rate group were reduced for rate year 2023 and will again be reduced for rate year 2024 due to the trust funds good standing.

Average High Cost Multiple

$$\begin{aligned} &= \frac{2.039}{1.224} \\ &= 1.666 \end{aligned}$$

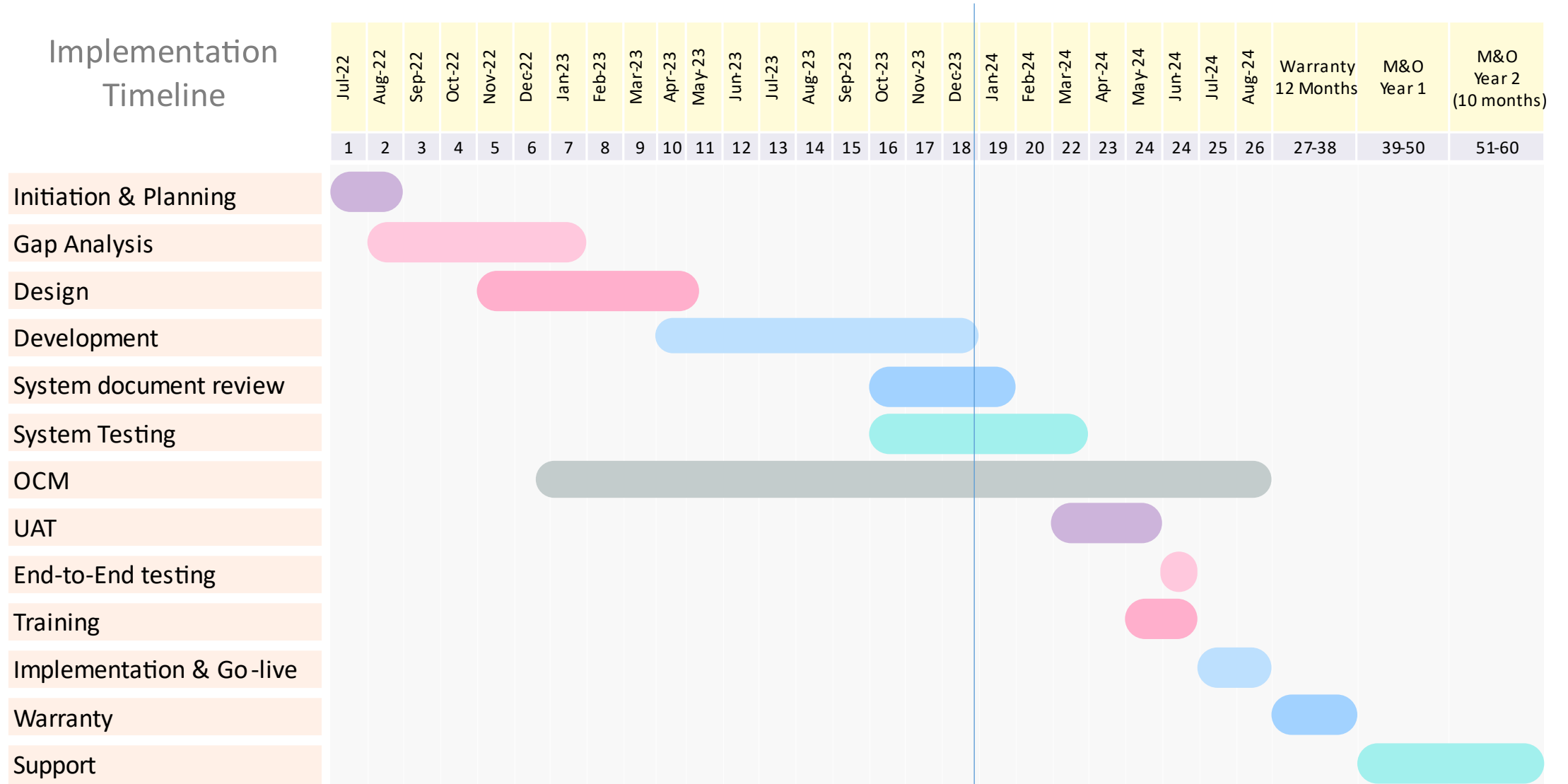
UI Modernization



Modernization Goals



UI Modernization: Timeline



UI Modernization: Current Status

- **As of December 6th, 2023, the agency has spent: \$12,348,561.77**
- **Within budget and within scope**
- **Progress**
 - **Design**
 - **Complete** – All Benefits
 - **Database Design**
 - **Complete** – All Benefits
 - **Data Migration**
 - **Complete** - Claims Intake, Monetary, Non-Monetary, Weekly Certifications & Payments
 - **In Progress** – Appeals, Overpayments, Repayments, RESEA, BAM, ETA
 - **Next-** Data Migration System Testing
 - **Application Development**
 - **In Progress-** Claims Intake, Monetary
 - **Next-** Overpayments, Benefit Payments, Benefit Repayment, ETA, Collections, Chargeback, Appeals, Non-Monetary, Weekly Certifications & Changes

UI Modernization: First Glance Screens



Welcome

LOGIN-001

Employer Services

- [Create Online Tax User ID](#)
- [File and/or Pay Unemployment Tax](#)
- [Register New Business](#)
- [Register Third Party Agent](#)
- [File Masslayoff Unemployment Claims](#)
- [Upload Documents for Remote Audit](#)

[Login](#)

Claimant Services

- [Create Online Claimant User ID](#)
- [File Unemployment Application](#)
- [File Weekly Certification](#)
- [View Unemployment Correspondence](#)

[Login](#)

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Vietnamese / tiếng Việt - Nếu bạn không đọc hiểu tiếng Anh, hãy gọi 1-888-844-3577 để được giúp đỡ.

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2024-The Kansas Department of Labor

UI Modernization: Current Status

- **Independent Verification & Validation (IV&V)**
 - Required through the KITO Oversight (ITEC 2510A)
 - Purpose is to provide an independent and objective assessment
 - Point in time (3rd Quarter) report from vendor

Quarter	Health Parameters				
	Scope	Schedule	Staffing	Quality	Cost
Initial	GREEN	GREEN	GREEN	GREEN	GREEN
QR1	GREEN	GREEN	GREEN	GREEN	GREEN
QR 2	GREEN	YELLOW*	GREEN	GREEN	GREEN

3.13 Strengths and Proactive Measures

The IV&V Team notes the following items for which the UI Modernization Project team has taken positive, proactive action and should be commended:

	Description of Strength
✓	TCS and DOL continue to have a very strong working relationship with open and forthright communication.
✓	Sound principles and processes are being followed for requirements gap definition, interface identification and definition, and data migration ETL development.

* short-term time criticality – remediation plan in place

UI Modernization: Testing

- **System Testing for TCS ~ In progress**
- **KDOL Testing ~ In progress**
- **Stakeholder Testing ~ April 2024**

UI Modernization: Solutions

Improper Payment Prevention

- Work Search Requirements while Filing Weekly Certification
- Better Communication with Employers
 - 6 Sides Exchanges at Go Live
- Updated RESEA Program Functionality with Commerce
- Updated MRP Program Functionality with Commerce

WC-802

Work Search Record Details

* Required Information

Claimant SSN Claimant Name

Input your work search details for the week of:
Sunday, February 12, 2023 - Saturday, February 18, 2023.

The date(s) of your work search contacts must fall within the week shown.
Providing false information is punishable by law.

1. * Date of Work Search / /
2. * Employer Name
3. Employer Address
 - Address Line 1
 - Address Line 2
 - City
 - State
 - ZIP Code
4. Telephone Number - -
5. * Position Applied for
6. * Method Of Contact
 - a. If In Person, Please enter Contact Name
 - b. If In Person, Please enter Contact Title
 - c. If Telephone, Please enter Telephone Number - -
 - d. If Email, Please enter Email Address
 - e. If Online, Please enter Website Address
 - f. If Fax, Please enter Fax Number - -
7. * Result
 - Select-
 - Application/Resume Filed But Not Hired
 - Application/Resume Filed Hired Full-time
 - Application/Resume Filed Hired Part-time
 - Not Accepting Applications/Resumes

UI Modernization: Solutions

Fraud Prevention

Heightened Security Features

- **Automated Crossmatches/Checks**
 - Workers' Compensation
 - New Hires
 - Death
 - Incarceration
 - KDOR
 - Age
- **Multi Factor Authentication**
- **LexisNexis**
- **Pondera**
- **Reviewing and Discussing Additions**

Timely Payments

- **Fact Finding at Time of Initial Claims and Weekly Certifications**
- **Auto Adjudication for Some Issues**
- **Robotic Process Automation Technology**

UI Modernization: Solutions

Fraud Prevention solutions will include Pondera Solutions and LexisNexis as part of our new modernized system.

Recovery of ID Theft Payments

- **August 2021 - \$445,106.74**
- **January 2023 - \$23,797.86**
- **February 2023 - \$3,578,871.36**
- **May 2023 - \$3,805,836.77**
- **June 2023 - \$164,990.00**
- **September - \$16,687.50**

TOTAL = \$ 8,035,290.23

(Since August 2021)

Regular UI = 77%

Federal Programs = 33%

(Recovery Efforts Ongoing)

Federal Resources



US DOL Funding

- **Congress allocated \$2B to USDOL in March 2021.**
- **USDOL issued a call for grants (4) in April-May 2023.**
- **Fiscal Responsibility Act (FRA) reduced allocated funds by 1 billion in June 2023, with \$500 million unobligated available.**
- **USDOL canceled, then reissued grants in July 2023.**
- **KDOL qualified for Integrity and IT Modernization.**
- **Awarded \$1,739,000 for Integrity Grant to fund Pondera.**
- **IT Modernization became a non-competitive grant, first come first served.**

Modernization Funding

Available Funding for Modernization:

Description

Amount

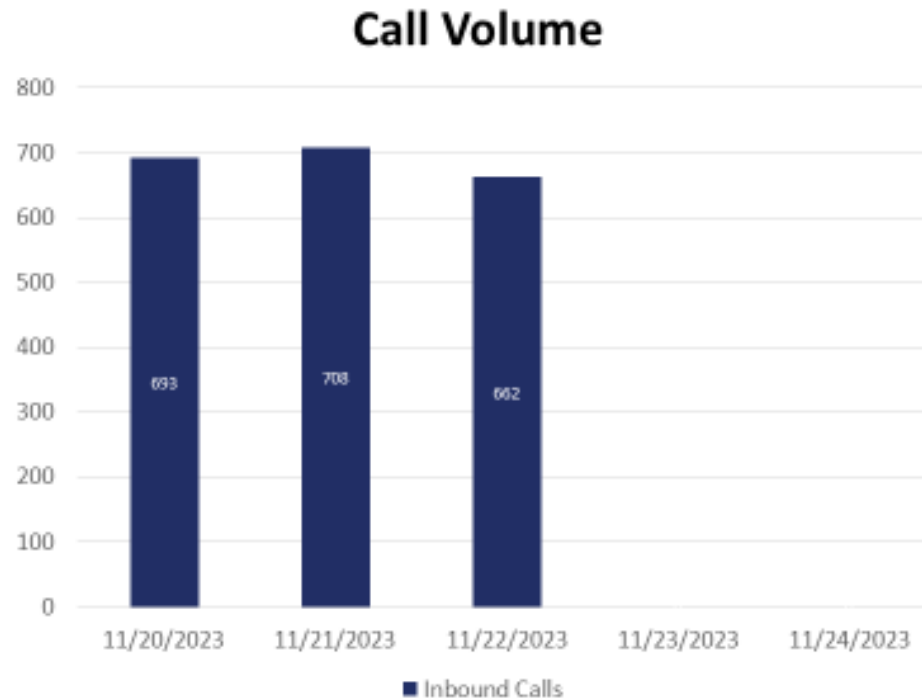
State Fiscal Recovery Funds FY21	\$9,042,868.10
SGF Appropriated in SFY 2023	\$20,500,000.00
REED Act Funds	\$4,821,302.28
Prior UI Admin funds used for “automation”	\$1,743,968.42
Collection Automation	\$866,252.00
Dynamic Fact Finding	\$1,478,400.00
UI Equity	\$4,562,000.00
Total Available Funding	\$43,014,790.80

KDOL Call Center Update



Call Center Update

Call Center Performance Metrics



Call Metrics

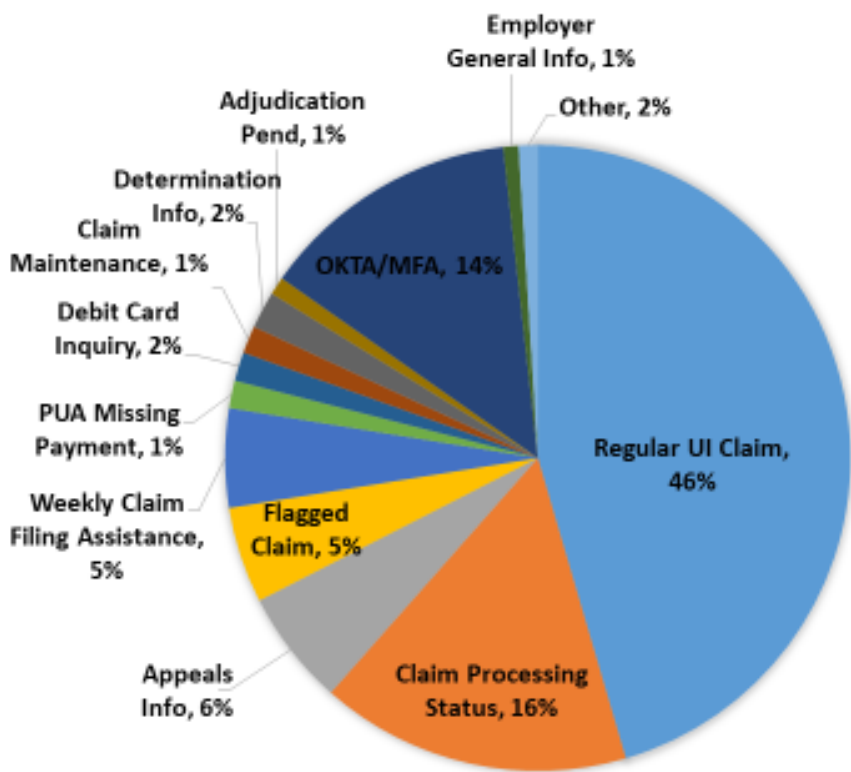
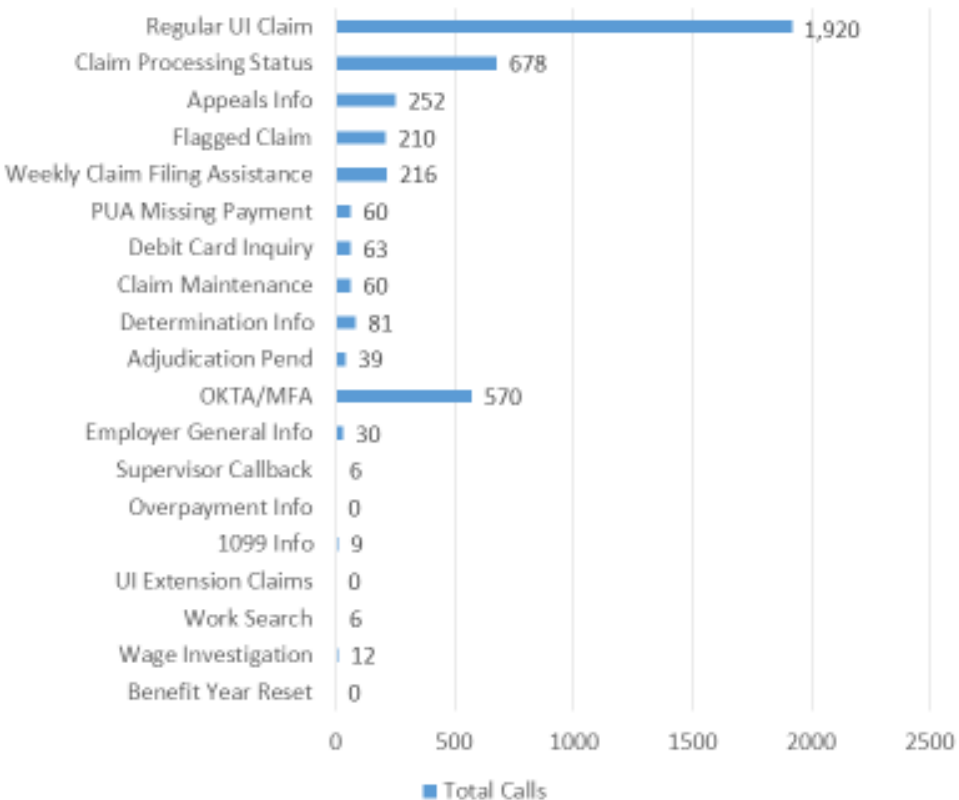
	Average Speed to Answer	Unique Callers Helped	Calls Abandoned
11/20/2023	11:47	37%	11%
11/21/2023	10:03	49%	9%
11/22/2023	8:23	58%	8%
11/23/2023	0:00	0%	0%
11/24/2023	0:00	0%	0%

Thanksgiving holiday 11/23-11/24. Staff offices closed

Call Drivers

Call Drivers

November 20, 2023 – November 24, 2023



KDOL Requested Legislation



KDOL Requested Legislation: HB 2401

- **Passed out of the House and in Senate Commerce Committee.**
- **Will help KDOL address Unemployment Insurance modernization needs.**
- **Will address interview no-shows and employer use of temporary unemployment.**
- **Is a collaborative effort between KDOL and business stakeholders.**

Government Affairs



Elected Official & Staff Support

Government Affairs

For questions regarding KDOL, please reach out to our team. We are happy to assist you.

Julie Menghini, *Government Affairs Director*

Jessica Dragoo, *Labor Relations Coordinator*

Questions?

