

**HOUSE BILL No. 2196**

By Committee on Commerce, Labor and Economic Development

2-1

Proposed Amendments for HB 2196  
Committee on Commerce, Labor  
and Economic Development  
Xu #1  
February 18, 2021  
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Office of Revisor of Statutes

1 AN ACT concerning employment security; creating the unemployment  
2 compensation modernization and improvement council; providing for  
3 development of a new unemployment insurance information  
4 technology system; claimant tax information; website publication of  
5 trust fund data; maximum benefit period; charging of employer  
6 accounts for benefits paid; employer contribution rate determination  
7 and schedules; abolishing the employment security interest assessment  
8 fund; crediting employer accounts for fraudulent or erroneous  
9 payments; transferring moneys from the state general fund to the  
10 unemployment insurance trust fund for improper benefit payments;  
11 services performed by petroleum landmen; lessor employment unit  
12 employee leasing restrictions; relating to other unemployment trust  
13 fund provisions; shared work compensation program; amending K.S.A.  
14 44-758 and K.S.A. 2020 Supp. 44-703, 44-704, 44-710, 44-710a, 44-  
15 710b and 44-757 and repealing the existing sections.

16

17 *Be it enacted by the Legislature of the State of Kansas:*

18 New Section 1. (a) (1) There is hereby created the unemployment  
19 compensation modernization and improvement council. The council shall  
20 consist of 11 members appointed as follows:

21 (A) Two members who, on account of their vocation, employment or  
22 affiliations, may be classed as representative of employers, to be selected  
23 by the workers compensation and employment security boards nominating  
24 committee established under K.S.A. 44-551, and amendments thereto, and  
25 appointed by the governor;

26 (B) two members who, on account of their vocation, employment or  
27 affiliation, may be classed as representative of employees, to be selected  
28 by the workers compensation and employment security boards nominating  
29 committee and appointed by the governor;

30 (C) the chairpersons of the standing committees of the senate and the  
31 house of representatives to which legislation pertaining to the employment  
32 security law is customarily referred, appointed by the president of the  
33 senate and the speaker of the house of representatives, respectively;

34 (D) two members of the senate appointed by the president of the  
35 senate, one of whom is a member of the majority party and one of whom is  
36 a member of the minority party;

1 the applicant, recipient or employer received.

2 (2) In the written strategic staffing plan required under paragraph (1)

3 (A), the secretary shall include an explanation of whether and in what

4 manner the secretary will utilize:

5 (A) Department employees who do not ordinarily perform services

6 related to unemployment compensation;

7 (B) employees employed by other state agencies; and

8 (C) employees provided by private entities.

9 (k) For purposes of subsection (j)(1)(A), the secretary of labor shall

10 develop the initial written strategic staffing plan not later than six months

11 after the first meeting of the council and provide such plan to the council,

12 the president of the senate, the speaker of the house of representatives and

13 the governor. The secretary shall review the plan at least once per year. If,

14 after reviewing the plan, the secretary determines that the plan should be

15 revised, the secretary shall revise the plan. After each review of the plan as

16 provided under this subsection, the secretary shall provide the most recent

17 version of the plan to the council, the president of the senate, the speaker

18 of the house of representatives and the governor. The secretary shall post

19 the most recent version of the plan on a publicly accessible website

20 maintained by the secretary.

21 (l) The council may adopt rules and regulations as necessary to

22 implement the provisions of this section.

23 (m) This section shall be a part of and supplemental to the

24 employment security law.

25 New Sec. 2. (a) It is the intent of the legislature that, in order to

26 accomplish the mission of collecting state employment security taxes,

27 processing unemployment insurance benefit claims and paying benefits,

28 the department of labor's information technology system shall be

29 continually developed, customized, enhanced and upgraded. The purpose

30 of this section is to ensure the state's unemployment insurance program is

31 utilizing current technology and features to protect the sensitive data

32 required in the unemployment insurance benefit and tax systems relating

33 to program integrity, system efficiency and customer service experience.

34 (b) The legislature finds that, as a result of the vulnerabilities exposed

35 in the legacy unemployment insurance system by the COVID-19 pandemic

36 unemployment insurance crisis, a new system shall be fully designed,

37 implemented and administered by the department of labor not later than

38 December 31, 2022.

39 ~~(c) The information technology system, technology and platform~~

40 ~~shall include the following components, as defined by the unemployment~~

41 ~~compensation modernization and improvement council established by~~

42 ~~section 1, and amendments thereto, in consultation with the secretary:~~

43 ~~(1) Component-centric architecture;~~

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- 1 ~~(2) configurability;~~
- 2 ~~(3) results-driven customer empowerment;~~
- 3 ~~(4) extensibility;~~
- 4 ~~(5) reporting;~~
- 5 ~~(6) adaptable and scalable platform;~~
- 6 ~~(7) enterprise service bus;~~
- 7 ~~(8) version control;~~
- 8 ~~(9) change control;~~
- 9 ~~(10) multi-speed information technology;~~
- 10 ~~(11) data migration or data architecture; and~~
- 11 ~~(12) legacy integration.~~
- 12 ~~(d) The new system shall include the following features and benefits,~~
- 13 ~~as defined by the unemployment compensation modernization and~~
- 14 ~~improvement council established by section 1, and amendments thereto, in~~
- 15 ~~consultation with the secretary:~~
- 16 ~~(1) Benefit claims and payment management, including:~~
- 17 ~~(A) Claims management;~~
- 18 ~~(B) eligibility and payment processes;~~
- 19 ~~(C) monetary and non-monetary determinations;~~
- 20 ~~(D) overpayment and collections management;~~
- 21 ~~(E) fraud prevention; and~~
- 22 ~~(F) accounting and auditing;~~
- 23 ~~(2) integrated tax management functionality, including:~~
- 24 ~~(A) Account registration;~~
- 25 ~~(B) tax and wage reports;~~
- 26 ~~(C) adjustments and payments;~~
- 27 ~~(D) delinquencies and collections; and~~
- 28 ~~(E) tax audit assignments; and~~
- 29 ~~(3) tax performance systems, including:~~
- 30 ~~(A) Comprehensive appeals filing and tracking;~~
- 31 ~~(B) appeal filing and management;~~
- 32 ~~(C) hearings and decisions;~~
- 33 ~~(D) correspondence and notices;~~
- 34 ~~(E) integrated workflow;~~
- 35 ~~(F) self-service features; and~~
- 36 ~~(G) federal reporting.~~
- 37 (e) The secretary shall implement and utilize all program integrity
- 38 elements and guidance issued by the United States department of labor and
- 39 the national association of state workforce agencies, including the integrity
- 40 data hub, within 60 days of the issuance of such guidance. The secretary
- 41 shall implement and utilize the following specific program integrity
- 42 elements:
- 43 (1) Social security administration cross-matching for the purpose of

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and by redesignating subsections accordingly