



KDOL Update

Amber Shultz
Secretary

Unemployment
Compensation Modernization
and Improvement Council
June 24, 2021



1



Unemployment Overview

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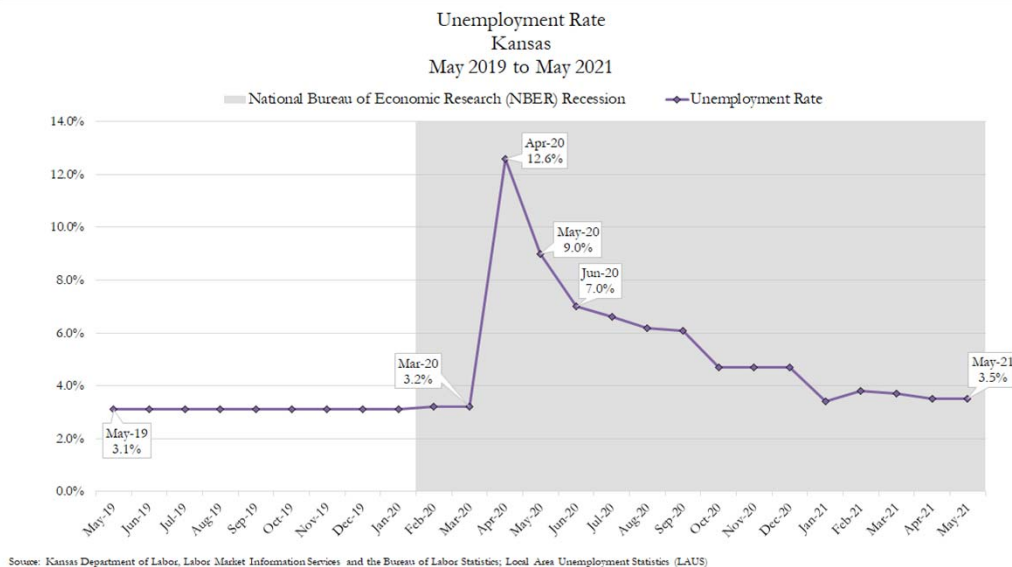
KDOL Overview

Since March 15, 2020, KDOL has paid out over 4.6 million weekly claims totaling over \$3 billion between regular unemployment, and the federal pandemic programs.

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3

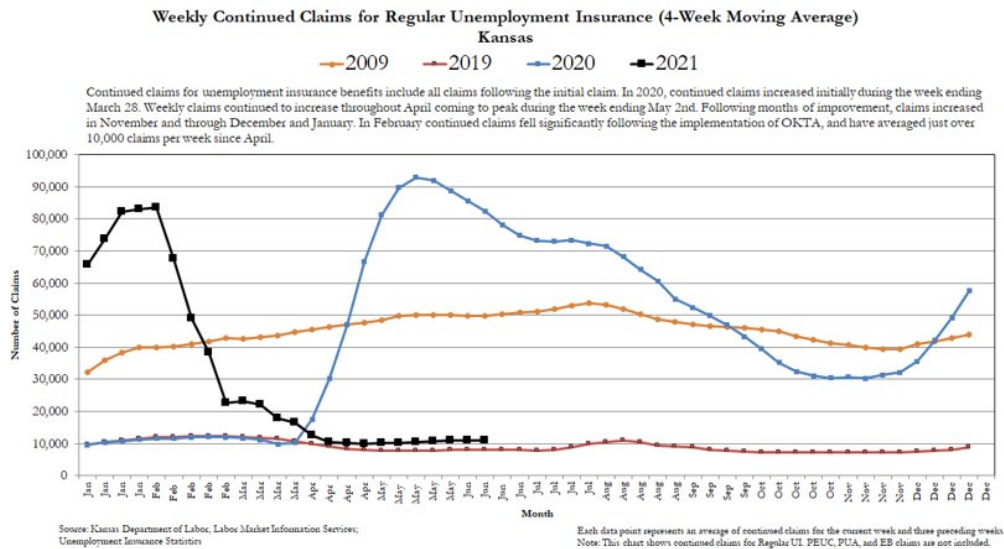
Unemployment Rate



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4

Weekly Continued Claims for Regular UI



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5

Unemployment Programs

- KDOL typically administers two unemployment programs
 - **Regular Unemployment Benefits**
 - **Extended Benefits (EB)** are only triggered on during periods of high unemployment. USDOL determines the availability of the EB program.
- The Families First Coronavirus Response Act created several temporary UI programs:
 - **Pandemic Emergency Unemployment Compensation (PEUC)**
 - **Pandemic Unemployment Assistance (PUA)**
 - **Mixed Earner Unemployment Compensation (MEUC)**
 - **Federal Pandemic Unemployment Compensation (FPUC)**
 - **Lost Wages Assistance (LWA)** – Expired Sept. 5, 2020

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6

Unemployment Programs

UP TO
26
weeks

Regular UI

- Filing for Unemployment Insurance (UI) is the first step for affected workers

UP TO
53
weeks

PEUC

- Pandemic Emergency Unemployment Compensation (PEUC) is a federal extension of benefits for those who have exhausted UI
- The American Rescue Plan extension increases PEUC weekly benefits from 24 to 53 weeks
- Extended through week ending Sept. 4, 2021

UP TO
79
weeks

PUA

- Pandemic Unemployment Assistance (PUA) expands access to unemployment by including those who are affected by COVID-19 and not eligible for UI or PEUC
- The American Rescue Plan extension increases PUA weekly benefits from 50 to 79 weeks
- Extended through week ending Sept. 4, 2021

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7

Unemployment Programs

MEUC

Weekly \$100

- Mixed Earner Unemployment Compensation (MEUC) is only available for claimants filing in either the UI or PEUC programs
- Claimants must have earned more than \$5,000 in self-employment income in the most recent taxable year, prior to the individual's application for regular UI benefits
- Eligible claimants will receive an additional \$100 weekly benefit on top of their weekly benefit amount and the \$300 FPUC benefit
- MEUC runs from the week ending Jan. 2, 2021 through Sept. 4, 2021
- This program will require a separate application; details to come

FPUC

Weekly \$300

- Federal Pandemic Unemployment Compensation (FPUC) provides a \$300 per week benefit for any claimant that is eligible for an underlying unemployment compensation program
- FPUC runs from week ending Jan. 2, 2021, through Sept. 4, 2021
- Previously available from March 29, 2020 through July 25, 2020 and payments were for \$600
- No application is necessary

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8

Unemployment Programs

Expired Programs

LWA



- Lost Wages Assistance (LWA) was funded by FEMA to provide \$300 per week to supplement unemployment benefits to eligible claimants
- Was available for any claims for the weeks ending Aug. 1, 2020, through Sept. 5, 2020; payments will be retroactive

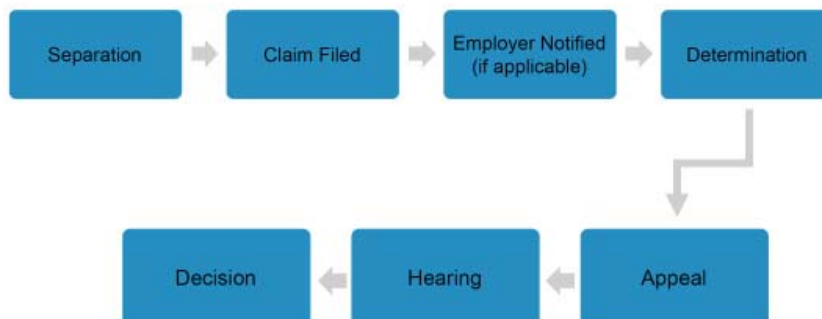
Extended Benefits (EB)



- Extended Benefits (EB) was available after PEUC is exhausted for claims filed after June 7, 2020
- USDOL notified the state that Kansas has officially "triggered off" of the EB program
- KDOL is prohibited from making any additional payments, regardless of any remaining balance of EB entitlement.
- The last payable week on the EB program was the week ending Dec. 12, 2020

Claim Process

Initial Claim Process



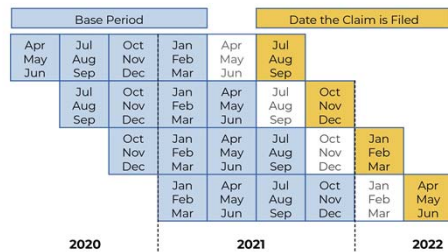
Weekly Benefit Amount



Base Period

Calculating Unemployment Benefits

The amount of benefits a claimant is eligible for is calculated by the earnings made during the base year of the claim. Claimants must have wages in at least 2 of the 4 quarters in the base period. The base period is the first 4 of the 5 preceding quarters from when a claim is filed.



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Fraud Overview

- KDOL's systems have **not** been breached
- Have seen a large increase in identity theft and other high-level schemes in the regular UI system and the PUA system
 - Fraud is impacting **every state**
- KDOL has taken several steps to combat fraud, including:
 - Coordinating IT resources with other agencies to improve overall security effort and environment
 - Setting up ID verification through credit reporting
 - Setting up a Google fraud detection application
 - More than **tripled** the size of the KDOL Fraud & Special Investigation Unit
 - Put in place a **72-hour hold** on all new PUA applications to allow for a validity check to be completed
 - Deployed **specialized technologies** to target and block abusive internet activity
 - Working with federal and state partners to **prosecute fraudulent activity**
 - Launched www.ReportFraud.ks.gov
 - Utilizing all USDOL recommended databases for cross-matching. Includes SSN Verification, citizenship verification and more

Employer Support & Overview

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KDOL Employer Help Desk



- Provides a dedicated toll-free phone line (888-396-3725) and customer service representatives who are trained to assist employers with labor related issues
- Top Issues:
 - General Employer Questions
 - UI Tax Questions
 - Benefit Charge Notice Questions
 - Employer Relations
 - Shared Work

Shared Work Program



- Employers reduce total number of hours that employees work and employees can then claim partial unemployment benefits
 - **Helps employers:** avoid layoffs, keep valued employees, recover fast when business improves
 - **Helps employees:** keep their current job, avoid a financial crisis, keep benefits such as health insurance
- KDOL has improved the program by:
 - **Automating** the processing of shared work documentation, including weekly certifications
 - Utilize **surge support** to ensure employer weekly certifications are processed in a timely manner
 - Deploying a virtual agent, giving employers a self-service option for shared work questions and **24-hour support**

Notice of Benefit Charges

- **Contributing Employers** comprise the vast majority of businesses (75,890 entities)
 - Receive an annual statement of Notice of Benefits Charges and annual experience rate notice is mailed each November
- **Rated Governmental Employers** are 2.7 percent of the employers (1,976 entities)
 - Receive annual notices of charges, including a new rate mailed in June
- **Reimbursing Employers** are under one percent of the employers (714 entities)
 - Billed 100% for their claims but CARES Act offered 50% relief of charges
 - Most likely to see dramatic change to their charges, which they receive quarterly
- Employers should protest claims that are COVID or fraud related

Work Search Programs

- **Work Search** activities are required for UI, PEUC, and PUA recipients in order to remain eligible for unemployment benefits.
- **My Reemployment Plan** is designed to assist unemployed Kansans with job-search efforts
 - Claimants are automatically enrolled if they have received 3+ consecutive unemployment payments
 - KDOL has entered into a data sharing agreement with the Kansas Department of Commerce, which administers the program.
- **The Reemployment Services and Eligibility Assessment program** provides early intervention job search assistance and career counseling to claimants

KDOL Work Refusal

Can a person refuse work and still receive unemployment benefits?

- Kansans who, without good cause, refuse suitable work when offered are ineligible for unemployment benefits
 - Decisions about whether a claimant is disqualified are made on a case-by-case basis
 - After all relevant factors are considered, a notice of determination will be mailed to both parties
- Work refusals are discovered when
 - An employer reports it to us
 - A claimant indicates they refused work on their weekly claim



KDOL UI Modernization: Historic Overview

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June 24, 2021



UI Modernization: Historic Overview

Timeline Overview: Funding

Previous KDOL UI modernization efforts were funded by federal Reed Act funds.

<p>2002</p> <p>2005</p> <p>2007</p> <p>2011</p>	<p>Initial distribution to Kansas of federal Reed Act funds made by the federal government.</p> <p>Governor Sebelius & Legislature authorize \$21 million in bonds to fund rewrite of benefits system.</p> <p>Additional allocation of \$26 million in Reed Act funds made to Kansas to complete modernization.</p> <p>Modernization efforts are cancelled.</p>	<table border="0" style="width: 100%; font-size: small;"> <tr> <td>The Business Process Reengineering Phase</td> <td style="text-align: right;">\$ 3,819,045</td> </tr> <tr> <td>The Detailed Design and Requirements Planning Phase</td> <td style="text-align: right;">\$24,223,209</td> </tr> <tr> <td>Total Available for the Build and Deploy Phase</td> <td style="text-align: right;">\$18,957,746</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td>Subproject I</td> <td style="text-align: right;">\$2,864,768</td> </tr> <tr> <td>Subproject II</td> <td style="text-align: right;">\$1,039,994</td> </tr> <tr> <td>Subproject III</td> <td style="text-align: right;">\$5,764,350</td> </tr> <tr> <td>Amount remaining for the rest of the project.....</td> <td style="text-align: right;">\$9,288,624</td> </tr> </table>	The Business Process Reengineering Phase	\$ 3,819,045	The Detailed Design and Requirements Planning Phase	\$24,223,209	Total Available for the Build and Deploy Phase	\$18,957,746			Subproject I	\$2,864,768	Subproject II	\$1,039,994	Subproject III	\$5,764,350	Amount remaining for the rest of the project.....	\$9,288,624
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*A total of **\$47 million** was allocated for KDOL's modernization efforts. Despite completing several key subprojects prior to 2011, no additional modernization work was completed after that time.*

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UI Modernization: Current Status

KDOL MODERNIZATION UPDATE

- 2019** Governor Kelly orders KDOL Secretary Garcia to begin drafting new modernization plan. Agency completes state site visits and begins drafting plan.
- 2020** Modernization efforts delayed as KDOL pivots to focus on processing the massive increase in UI claims.
- 2020** KDOL creates specialized team to complete modernization plan.
- 2021** KDOL publishes RFP on April 1.

UI Modernization: Current Status

KDOL UI MODERNIZATION PROCESS

Step 1: Agency Identifies Project	Completed
Step 2: Agency Submits Planned Project Documentation	Completed
Step 3: CITO Provides Initial Project Determination	Completed
Step 4: Feasibility Study Report (FSR) is Required	Completed
Step 5: CITO Reviews/Approves FSR	Completed
Step 6: Agency Files High Level Plan	Completed
Step 7: CITO Approves High Level Plan	Completed
Step 8: Agency Completes RFP Process	Working: RFP was put out for bid on April 1
Step 9: Agency Completes Detailed Project Plan with Vendor	Estimated Summer/Early Fall 2021
Step 10: CITO Approves Detailed Project Plan	Estimated Fall 2021
Step 11: Agency Begins Project	Estimated Late Fall/Winter 2021



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Questions?



Kansas
Department of Labor