

2023 ANNUAL REPORT

Kansas Department of Labor



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MISSION STATEMENT

The Kansas Department of Labor (KDOL) 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.

MESSAGE FROM THE SECRETARY

During the past year, the agency continued to make steady and significant progress towards the goal of modernizing the Unemployment Insurance (UI) system in Kansas. The two-year process began in spring 2022 with the goal of having the new system up and running in summer 2024, which is both in sight and on track. The modernization initiative is focused on aligning, supporting and transforming the agency's business processes and core technology systems. Key transition progress has been made and that work continues with the launch coming just a few short months from now.

The jobless rate in Kansas over the past calendar year remained near historic lows for its entirety. The unemployment rate was below 3% each month, dipping to 2.7% in both June and July, and the rate in December was a strong 2.8% to close the year. Job growth continued in 2023 with a total of 11,400 new seasonally adjusted non-farm jobs added across the state.

This past year was very successful for the Kansas Department of Labor (KDOL) Employment Standards unit whose mission is to uphold fair labor practices and safeguard the rights of workers. Throughout the year, numerous complaints related to workplace violations including issues such as unpaid wages, overtime discrepancies and improper employment practices were processed. A total of \$1,026,574.40 was collected and returned to Kansas employees through investigations and orders issued. The agency looks forward to another year of continued success in its efforts to create a fair and just working environment for all.

The KDOL Workers Compensation Fraud and Abuse unit investigated 338 referrals. There were 26 fraud and abuse administrative cases, including settlements which were prosecuted, resulting in more than \$394,000 in fines, penalties and restitution.

For the first time in four years, both the KDOL Industrial Safety and Health (ISH) annual conference and the Workers Compensation (WC) annual seminar were in-person events. The ISH conference featured four days of up-to-date safety and health training on the latest in regulations, laws and rule changes, in addition to the latest in safety and health equipment and technology. The Work Comp Seminar was held onsite at the Overland Park Convention Center and was attended by 311 with 250 attendees receiving continuing education credits.

Just before midyear, the Labor Market Information Services (LMIS) division updated the Kansas Labor Information Center (KLIC) site. Feedback from the LMIS Customer Satisfaction Survey and other customer communication was used to make the site easier to access all labor market data and resources. A new addition to the website is Today's Occupations, Tomorrow's Opportunities (T.O.T.O.), which is devoted to helping students and jobseekers access career planning resources and related occupational data. Other projects in progress include coloring pages and worksheets for K-12 schools.

- Secretary Amber Shultz



ORGANIZATIONAL HIERARCHY





Amy Selm Deputy Secretary



Sandy JohnsonDeputy Secretary



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Allen VinyardIndustrial Safety and Health



Angela White Labor Market Information Services



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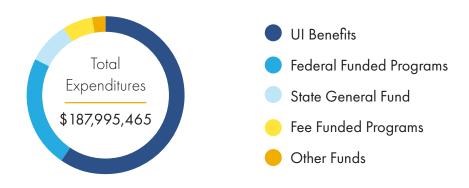


Lacie Worcester Human Resources



Martin Walter Legal

FISCAL YEAR 2023 ACTUAL EXPENDITURES



Unemployment Insurance Benefits	\$111,986,254	59.57%
Federal Funded Programs	\$43,174,708	22.97%
Unemployment Insurance	\$37,566,399	
Wagner Peyser (LMI One-Stop/ETA/WIGS)	\$401,620	
OSHA	\$1,027,460	
Labor Force Statistics (BLS)	\$828,574	
OSHS(SOII)/CFOI	\$97,363	
Coronavirus Relief Fund	\$1	
ARPA State Relief	\$3,038,895	
Lost Wages Assurance Payments	\$214,396	
State General Fund (SGF)	\$2,101,823	8.71%
General Administration	\$15,551,331	
Legal Services	\$265,542	
Employment Standards	\$289,111	
Public Employees Relations Board	\$0	
Amusement Ride Safety	\$270,185	
Fee Funded Programs	\$11,274,029	6.00%
Wage Claims Assignment Fund	\$306	
Workers Compensation	\$11,222,021	
Amusement Ride Safety Fund	\$51 <i>,7</i> 02	
Other Funds	\$5,184,305	2.76%
Penalty and Interest Funds	\$1,751,406	0.93%
Indirect Cost Fund	\$2,916,190	1.55%
KDOL Special Projects Fund	\$125,652	0.07%
Special Wage Payment Clearing Trust Fund	\$32,854	0.02%
KDOL Off Budget (MOUs)	\$358,203	0.19%

INFORMATION TECHNOLOGY

In 2023 the Information Technology (IT) division of KDOL initiated a transformative shift in its operational essence focusing on enhanced procedures, comprehensive documentation and superior customer service. Our aim is to deliver exemplary service to both KDOL and the citizens of Kansas. This year marked significant achievements including the fulfillment of all vacant positions and the enhancement of our technological capabilities, while simultaneously achieving a reduction in overall expenses encompassing both personnel costs and hardware/software investments. Notably, substantial progress was made in our Unemployment Insurance Modernization (UIM) project, a testament to our team's dedication and expertise in advancing critical services for Kansans. Moreover, the IT division underwent a strategic reorganization of its management and reporting structures aligning more closely with KDOL's broad objectives. These strategic changes have not only optimized our functional operations, but have also significantly bolstered the overall outcomes of the division.

Infrastructure Improvements

In 2023 the Infrastructure Management unit within KDOL's IT division marked substantial progress in server, network and telecommunications management aligning with the evolving demands of our services and enhancing our cybersecurity posture. A pivotal achievement was the upgrade of nearly 90% of our Windows 2008 and 2012 servers to Windows Server 2019. This transition, initially managed as a dedicated project, has evolved into an ongoing process ensuring that our systems remain consistently up-to-date and secure into the future.

Our network infrastructure remained robust and reliable, both in wired and wireless configurations. Significant planning was initiated to upgrade our entire switch fleet, a move that will further strengthen our network safety and performance. In collaboration with OITS, we completed a comprehensive firewall upgrade reinforcing our commitment to maintaining a secure and efficient network environment.

In the realm of telecommunications, we continued our approach of ongoing upgrades ensuring our systems are not only reliable and secure but also adaptable to future technological shifts. These consistent improvements in our telecom systems are pivotal in keeping KDOL at the forefront of communication technology and ready to meet both current and future challenges.

Cyber Security and Compliance

Our Cyber Security efforts achieved notable successes led by our Information Security Officer (ISO) and the Deputy CIO. This was particularly evidenced by the results of the comprehensive IRS 1075 Audit. This audit highlighted significant improvements compared to previous assessments with only one critical finding within KDOL's scope of control. This accomplishment reflects our ongoing commitment to maintaining the highest standards of data protection and regulatory compliance.

We also updated our Access and Use Policy (AUP) to better reflect the rapid advancements in technology and to align with the policies of the legislature's Information Technology Executive Council (ITEC) committee more closely. The revised AUP is now pending approval from KDOL's Governance, Regulation and Compliance Committee ensuring that our policies remain current and effective.

2023 REVIEW

FEB.

- Completion of Application Design Artifacts - Iteration 1
- Organizational Change Management (OCM) Plan

MARCH

- Completion of Data Migration
 Mapping Document Iteration 2
- Completion of Application Design Artifacts - Iteration 2

APRIL

• Preparation of Go Live – OCM

MAY

 Completion of Data Migration Mapping Document - Iteration 3

JUNE

Completion of Data Migration
 Development - Iteration 1

SEPT.

- Completion of Data Migration Development - Iteration 2
- Completion of Application Design Artifacts - Iteration 3

NOV.

- Completion of Data Migration
 System Testing Iteration 1
- Started User Acceptance Testing (UAT) for Tax – Iteration 1

DEC.

 Completion of Application Development - Iteration 1 A key initiative in 2023 was conducting vulnerability scans on our public-facing web servers. This exercise provided invaluable insights into system hardening strategies, guiding our efforts to fortify these critical assets. The collaboration between the ISO and the Infrastructure team is set to advance this initiative further in its next phase.

Additionally, we implemented a sophisticated tool for managing, monitoring and reporting Access Rights Management across our file store systems. This enhancement significantly bolsters our capability to swiftly respond to access-related issues within our network.

Another major stride was the deployment of a monitoring tool across all KDOL systems. This tool plays a pivotal role in proactively identifying suspicious activities, both from external threats and internal deviations. Monitored round-the-clock by OITS this system is a cornerstone of our strategy to safeguard our digital ecosystem against emerging cybersecurity threats.

Application Development and Data Services

The recent reorganization within the IT division led to the establishment of the Data Services (DS) unit, a significant stride forward in our data management capabilities. This unit, staffed fully and led by two experienced database administrators, represents a robust foundation in database management and administration. To further enhance our capacity, we have integrated two additional developers specializing in database development, thereby augmenting the depth and capability of the DS unit. Leading this team is a newly appointed manager, bringing extensive expertise as a database architect, which is instrumental in guiding the unit towards innovative data solutions.

In parallel, the Application Development (AD) unit is undergoing transformative changes. With the appointment of a new manager, filling a long-standing vacancy, the team is experiencing a revitalization in its approach to Development Operations (DevOps) and software delivery. This rejuvenation is further bolstered by the addition of four new developers, each bringing a diverse set of skills and a wealth of experience to the team. This diversification of talent is enhancing our ability to tackle complex projects and innovate more effectively.

A notable achievement of the application development team has been the completion of major upgrades to the Unemployment Insurance (UI) legacy system, alongside significant enhancements to the workers compensation software, Online System for Claims Administration Research/Regulation (OSCAR). These upgrades represent not only technical advancements, but also a commitment to improving critical services for the citizens of Kansas. This reflects our dedication to continuous improvement and adaptation in our software development practices, ensuring that we remain at the forefront of technological innovation and service delivery.

Data Strategy Initiative

In a significant step toward a comprehensive data strategy, KDOL, in collaboration with one of our vendor partners, successfully conducted an agency-wide data strategy workshop. This initiative marks the beginning of a pivotal culture shift in how KDOL approaches data management, analysis, and integration into our day-to-day operations.

The outcomes of this workshop have paved the way for several key initiatives. These include the introduction and refinement of data governance structures, cultural shifts towards data-centric operations, enhancements in data architecture, the implementation of master data management practices and the advancement of our business intelligence and analytics capabilities.

Central to this initiative is the promotion of a strong sense of data stewardship and ownership across all business units within the agency. Cultivating this identity is crucial for embedding a sustainable, long-term data strategy within the IT division. It's a strategy that not only aligns with, but also actively supports our overall goals of improving service delivery and operational efficiency.

Through these concerted efforts, we are laying a strong foundation for data-driven decision-making and operational excellence, ensuring that KDOL continues to lead with innovation and foresight in its data management practices.

Unemployment Insurance Modernization

The UI system is undergoing a modernization that is aimed not merely at aligning and supporting, but fundamentally transforming the agency's UI business processes and core technological systems. Central to this initiative is the comprehensive overhaul of computer systems that handle the crucial functions of unemployment insurance tax collection, benefit payments and the delivery of employment services. This modernization effort is designed to replace outdated systems with advanced, cloud-based solutions, thereby significantly improving our service delivery capabilities.

To achieve these objectives, KDOL has engaged with a specialized third-party vendor. This collaboration is instrumental in enhancing, developing, testing and deploying an updated and modernized tool specifically tailored for the UI process. This tool will provide a more user-friendly, efficient, and accessible platform for the public to file unemployment claims.

Through these efforts we are not only updating our technology, but also reimagining our business processes to leverage the full potential of the new system capabilities. This modernization is a strategic step towards ensuring that KDOL redefines its service delivery to meet the evolving needs of Kansans with scalability, agility and resilience.

Staff Fulfillment

Staff fulfillment in the IT division reached a milestone in 2023. For the first time in recent memory, we have successfully filled all IT positions, achieving full staffing capacity. This includes a strategic shift in hiring practices, where numerous high-cost contract positions were replaced with long-term full-time employees (FTEs) aligning with our long-term strategic objectives.

Notably, staff retention has been remarkably high. While a few contract positions were terminated in 2023, our overall turnover rate was minimal. This stability is attributed to our ongoing commitment to professional development and re-skilling, ensuring that our team members are well-equipped to meet the evolving demands of their roles.

adaptable.

Furthermore, all managerial and supervisory roles have been filled, bringing a new level of stability and leadership to the division. These managers, under the directive of the CIO, are engaged in rigorous performance management practices throughout the year. This focus on effective leadership and management is pivotal in maintaining a

high-performing, cohesive and motivated IT team.

We are actively collaborating with strategic partners to plan for the

future of our workforce, identifying key skills and competencies that

will be essential for the IT division moving forward. This forward-

looking approach ensures that our team remains dynamic and



INDUSTRIAL SAFETY AND HEALTH

The Industrial Safety and Health (ISH) division is responsible for identifying safety hazards and helping private businesses and public sector entities eliminate unsafe practices. The division promotes programs throughout the state designed to help Kansas workers avoid on-the-job injuries and provide a safe working environment.

Occupational Safety and Health Consultation Program

The Occupational Safety and Health Consultation Program is administered under a cooperative agreement with the Occupational Safety and Health Administration (OSHA). The eight safety and health consultants assigned in the OSHA grant conducted **332** safety and health visits. These visits identified **1,139** hazards in a variety of industries. The emphasis placed by OSHA has been on construction, oil and gas, silica, trenching, grain handling and manufacturing facilities with amputation hazards. The focus of this program continues to be companies with less than 250 employees onsite that are considered a high hazard industry. We continue our outreach providing the opportunity for employers to discuss concerns and ask questions pertaining to OSHA consultation services.

Public Sector Program

Investigating safety and health issues pertaining to public sector entities including - cities, counties, school districts and community colleges is a responsibility of our division. During calendar year 2023, five safety and health consultants assigned to this unit conducted **146** inspections. These inspections identified **1,731** hazards and involved **19,198** employees.

State Workplace Health and Safety Program

With assistance from ISH, the Kansas Department of Health and Environment (KDHE) State Workplace Health and Safety Program was created under K.S.A 44-575 (f). During calendar year 2023 the division conducted **20** ergonomic assessments at **20** locations with **251** recommendations, assisting **95** employees; and **43** safety and health inspections, assisting **2,233** employees. Additionally, our safety and health consultants identified and assisted in abating **134** hazards.

Amusement Ride Permitting Program

The program conducts audits and evaluates documentation of amusement ride operations per the Kansas Amusement Ride Act, K.S.A. 44-1601, et seq. In 2019 the Amusement Ride unit launched the Amusement Ride Permitting Program (ARPP). This program allows amusement ride owners and operators to submit all their information and paperwork electronically and renew permits much quicker. This streamlining of our services has been highly beneficial to both KDOL staff and the stakeholders we work with. In 2023 the Amusement Ride Unit conducted audits of **117** amusement ride entities, registered **146** entities (including 36 new ones) and issued **1,630** amusement ride permits.

Safety and Health Achievement Recognition Program

The Safety and Health Achievement Recognition Program (SHARP) remains strong in Kansas with **147** active sites. Kansas continues to have the greatest number of SHARP sites in the nation and the highest percentage of SHARP sites per workplace establishment in the United States under both state and federal OSHA jurisdiction. In 2023 four new sites were added to SHARP: Crown Distributors - February 2023; REPCO - June 2023; REPCO Fab Shop - June 2023; and McPherson Concrete Products (MCP) East - September 2023.

2023 REVIEW



332

OSHA Safety and Health Visits

1,139
OSHA Hazards Identified



146

Public Sector Inspections

528

Accident Prevention Program Audits



1,630

Amusement Ride Permits Issued

117

Audits of Amusement Ride Entities

Accident Prevention Program

For 21 years as a prerequisite for authority to provide workers compensation insurance coverage, Kansas insurance companies and group-funded plans have been required to provide accident prevention programs upon request of the covered employer. Our agency is charged with inspecting these programs. A total of **528** audits of these programs was completed by ISH during 2023.

Annual Safety and Health Conference

An annual conference is presented by the division which provides emergency personnel, employers and safety professionals up-to-date safety and health training. Topics include the latest in regulations, changes in laws and upcoming rules. Additionally, the conference features highly anticipated exhibitors that display the latest in safety and health equipment and technology. The conference this past year was held in Topeka, KS with **161** attendees.







LABOR MARKET INFORMATION SERVICES

The Division of Labor Market Information Services (LMIS) collects, reports, and analyzes data pertaining to all facets of the labor market for the state of Kansas, along with local workforce areas to provide labor market information in support of workforce development and education. Working in cooperation with and by contractual agreement, LMIS works with the Bureau of Labor Statistics (BLS) and Employment and Training Administration (ETA) of the U.S. Department of Labor.

Available Data

Specifically, LMIS can provide the number of jobs in Kansas (<u>CES</u>), number of Kansans employed and unemployed (<u>LAUS</u>), wages paid by Kansas industries (<u>QCEW</u>) and the salary of different occupations in Kansas (<u>OEWS</u>).

Kansas safety statistics are also produced annually through the Census of Fatal Occupational Injuries (CFOI) survey, which provides workplace fatality data by occupational, industrial, and demographic characteristics in addition to the manner in which the fatal injury occurred. The Survey of Occupational Injuries and Illnesses (SOII) provides the number and frequency of injuries and illnesses in Kansas by industry.

Other programs and activities include 10-year and two-year occupational and industry <u>employment projections</u>; an annual <u>Kansas Economic Report</u> that provides analysis and data regarding the state's economic conditions over the past year, including

in-depth analysis of each local area, <u>high demand</u>/high wage occupations, and a set of <u>Kansas Career Posters</u> that highlight potential career paths across various education career clusters.

Updated Website

In May our LMIS Division website, the Kansas Labor Information Center (KLIC) was updated. Much consideration was given to feedback received through the LMIS Customer Satisfaction Survey and other customer communications to improve the site and make it easier to access all labor market data and resources.

All pages now have a similar layout, look and feel making them more user-friendly. Contact information for LMIS is listed if additional support is needed.

Today's Occupations, Tomorrow's Opportunities (T.O.T.O.) Webpage

T.O.T.O. is a section of KLIC devoted to helping students and jobseekers access career planning resources and related occupational data. Currently the T.O.T.O. page hosts an interest profiler from O*NET as well as links to the O*NET website, CareerOneStop website, and apprenticeship and career training resources. Additionally, there are links to LMI resources within the KLIC website such as the Kansas Wage Survey, projections data, high demand lists, and career posters. This page is in its infancy, but LMIS is currently working on a *Reality Check* application that will be similar to the one found here. Other projects in progress include coloring pages and worksheets for K-12 schools.





Finding the right career can be challenging. Whether you are just getting started in your career exploration journey or you already know where you are headed, we've got several resources compiled in one convenient place that will put you on the road to success!



Special Reports and Infographics

A special report is published monthly by LMIS covering various topics of interest using LMI data along with data from the U.S. Census Bureau, the Integrated Postsecondary Education Data System (IPEDS), and many other sources. These <u>reports</u> help bring attention to the usefulness of LMI data and LMI services.



Special Data Requests

Fulfilling special data requests is a key service provided by LMIS to its customers. In 2023 LMIS responded to **365** special data requests received for labor market and unemployment insurance data. While LMIS strives for a three-day turnaround time on requests, the average response time is 0.7 days.

Type of Data	Count
Unemployment Insurance (UI)	104
Occupational Employment and Wage Statistics (OEWS)	75
Local Area Unemployment Statistics (LAUS)	54
Quarterly Census of Employment and Wages (QCEW)	42
Current Employment Statistics (CES)	29
North American Industry Classification System (NAICS)	27
Other	23
High Demand	20
Census	14
Projections	10
General Inquiry	7
Job Vacancy Survey (JVS)	1

Type of Customer	Count
Kansas Dept of Commerce (KDOC)	122
Economic Development	44
KDOL Internal	43
Kansas Dept of Corrections	30
College/University	25
Business	21
Kansas State Agency (not incl. GO, KCI, KDOC, or Leg.)	15
Local Government	14
K-12 School	14
Individual	10
Kansas Correctional Industries (KCI)	7
Media	6
Legislator	4
Governor's Office	3
KDOL Leadership (Director level or above)	3
Non-Profit Organization (not incl. Econ Dev)	2
Other State Governments	1
Other	1
Total	365

LEGAL SERVICES

The Legal division provides legal counsel to the agency and represents KDOL at all levels of state and federal district and appellate courts and administrative agencies. Our KDOL attorneys have expertise in a wide variety of areas of law.

Employment Standards Unit

The Employment Standards unit of the legal division is responsible for receiving and processing claims filed by employees against their employers for unlawfully withholding wages owed in violation of the Kansas Wage Payment Act. The agency received 823 new wage claims in 2023 compared to 711 in 2022. A total of \$1,026,574.40 was collected and returned to Kansas employees this past year.

Asset Recovery

The Bankruptcy unit filed **15** adversary proceedings in federal bankruptcy courts in 2022, **12** of which resulted in a total of **\$90,556.01** being declared non-dischargeable and three of which remain pending. (A breakdown of the \$90,556.01 figure is listed below.) This debt represents fraudulently obtained UI benefits. The Legal division is committed to recovering these debts, including taking active measures to ensure debtors do not attempt to escape their fraud debt through bankruptcy.

A total number of 41 Proof of Claims were filed in 2023, totaling \$356,782.56 (including \$49,843.00 for CARES Act claims). Trustee payments from Proof of Claims filed in 2023 totaled \$648.01. No Proof of Claims were filed on overpayments that had weeks prior to April 1, 2019. There are still outstanding trustee payments from 2023, some of which may be received early this year.

The total amount of trustee payments received for Proof of Claims filed in 2023 and prior years was \$112,656.16.



NON-DISCHARGEABLE DEBT

• \$87, 056.01 Awarded

\$16,950.00 Awarded - CARES Act

\$3,500 Awarded - Court Costs

2023 REVIEW



795 New Wage Claims

\$1,026,574.40

Returned to Kansas Employees



950 Regular UI Appeals

658
PUA Appeals



1,595
Reported Identity Theft

HB 2001 Covid-19 Complaints

	Total to Date	2023
Complaints Filed	469	73
Final Orders	428	81
Complaints Withdrawn	41	4
Complaints Closed	469	85
Current Open Complaints	0	0
Final Orders Adverse to Complaint	421	80
Final Orders Adverse to Employer	7	1
Final Orders Sent to AG	7	1
Complaints that Failed to Clear OK	ΓA 193	40

Public Employee Relations Board

The Public Employee Relations Board (PERB) is a five-member appointed board that makes determinations as to the appropriate bargaining unit, conducts representation elections, and adjudicates charges of prohibited practices under the Public Employer Employee Relations Act (PEERA). There were five impasses and seven prohibited practice charges and no Unit Rep Elections this past year. Similar figures were reported in 2022 with five impasses and five prohibited practice charges.

Professional Negotiations Act

The Professional Negotiations Act (PNA) governs negotiations of the terms and conditions of professional service between school districts and professional employees of school districts, such as teachers. There were nine impasses and two prohibited practice charges during the prior year along with two-unit representation elections conducted in 2023. Numbers reported in 2022 reflected three impasses, four-unit representation elections, and one prohibited practice charge.

Employment Security Board of Review

This Employment Security Board of Review (ESBOR) is a three-member appointed board that reviews higher appeals of claims for regular UI benefits. In 2021 the board also began reviewing higher appeals of claims for Pandemic Unemployment Assistance (PUA) benefits as provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Attorneys from KDOL defended 61 regular UI benefit cases and 15 PUA benefit cases in district court. Three cases are active in the Kansas Court of Appeals. The ESBOR reviewed 950 appeals of claims for regular UI benefits, two Pandemic Emergency Unemployment Compensation (PEUC) appeals and 658 appeals addressing 1,444 PUA claims.

Fraudulent Cases Reported to KDOL Year to Date: 1,595

This includes portal submitted, duplicates received, and reported on employer paperwork received in case that information is needed.

Cases with duplications: 895

Cases without duplications: 700 (made up of 320 from website portal submissions and 380 from 44-45's or employer paperwork).

UNEMPLOYMENT INSURANCE

The framework of the Unemployment Insurance (UI) program is both state and federal. The program is administered by state employees under state law. Federal laws, the Social Security Act and the Federal Unemployment Tax Act (FUTA), set forth broad coverage and benefit provisions and numerous administrative requirements. Further, the federal government provides administrative funding, ensuring conformity and compliance with federal law and monitors state performance. The Kansas Employment Security Law both encourages employers to provide more stable employment and allows for financial reserves to be set aside for the sole purpose of being used by individuals who are unemployed.

Integrity Unit

Fraud detection capabilities continued to be enhanced. By February 2023, KDOL completed the design and implementation of a system to ensure UI program integrity by assessing and evaluating fraud risks, implementing and maintaining sufficient controls to effectively mitigate the likelihood and impact of fraud, and reducing improper payments. The program has provided an integrated case management, fraud assessment and scoring, and identity proofing application that has enabled better visibility of case status and both better accuracy and faster processing time for the integrity unit via the merging of data sources from the third-party vendor and multiple internal disparate data sources across KDOL's existing systems. This system is currently in the maintenance phase with requests for enhancements as workflow processes are perfected.

International Fraud Awareness Week was Nov. 12-18, and KDOL participated with social media posts reminding claimants to take steps to keep their UI account protected from cyberfraud.

In December, KDOL presented at NASWA's UI Integrity Symposium in Oklahoma City to discuss tools and techniques available to states in fraud prevention and detection. The symposium was not open to the public.

Tax Unit

A Tax Performance System Review was conducted throughout calendar year 2023. Kansas passed 10 of 13 tax functions. For each tax function that did not pass, the Tax Performance System (TPS) provides feedback to KDOL as to why the case(s) in each function failed. This feedback is communicated to all KDOL staff who have job duties related to each function as well as supplemental and additional training when needed. In addition, TPS provides observations and recommendations when applicable for the reviewed cases which are relayed to the necessary KDOL staff.

2023 REVIEW



Total Payments in Federal Programs
Jan. 1 - Dec. 31, 2023

\$2,838,953

Pandemic Unemployment Assistance (PUA)

\$780,220

Pandemic Emergency Unemployment Compensation (PEUC)

\$4,649,942

Federal Pandemic Unemployment Compensation (FPUC)

\$144

Mixed Earners Unemployment Compensation (MEUC)

This current review was based on the quadrennial TPS Peer Review from DOL performed in 2022. The next Federal TPS Peer Review will be conducted in 2026.

The purpose of the Federal TPS team review is to confirm the integrity of states' TPS Annual Report; evaluate whether the tax program is in compliance with federal requirements; assess whether the quality of the tax program is sufficient to meet performance goals; provide objective information on the quality of existing revenue operations and identify any technical assistance needs. The TPS program is a part of USDOL's UI Performs, a comprehensive performance system in which the states and federal government work together as partners to strengthen the UI system.

The UI Tax unit, in conjunction with an executive order from the office of Governor Laura Kelly in August of 2023, focused on raising awareness of worker misclassification. Worker misclassification occurs when an employer incorrectly classifies workers as independent contractors rather than employees. Intentional misclassification of workers is illegal and constitutes tax and insurance evasion. Two new misclassification auditors were added this past year as well as additional social media awareness to assist employers in correcting classification of employees.

Appeal Unit

The Office of Appeals continued to work to address the backlog created by the pandemic. At the beginning of 2023, the backlog included 2,874 pending Unemployment Insurance (UI) appeals, and 3,254 Pandemic Unemployment Assistance (PUA) claimants who had appealed a total of 9,800 individual determinations.

As of December 30, 2023, the Appeals backlog was reduced to 1,118 UI appeals and 1,308 PUA claimant appeals (of 2,239 individual determinations).

During the second quarter of 2023 the Office of Appeals completed a Request for Proposals (RFP) process to retain a third-party vendor to assist with pending PUA appeals. A vendor was selected and began working with KDOL in the fourth quarter of 2023. Beginning in December the vendor started conducting PUA appeal hearings with the goal of completing the remaining PUA appeals in the first half of 2024.

The use of a third-party vendor has allowed the office of appeals to re-allocate internal resources toward the UI backlog. The expectation is that, even with the conversion to a new UI system (see Modernization, supra) and the need to conduct testing and training on the new system, the Office of Appeals will be able to meet USDOL timeliness standards for UI appeals by the end of 2024.

Modernization

The KDOL modernization initiative is a multi-year project focused on aligning and supporting and transforming the agency's business processes and core technology systems. Computer systems supporting receipt of unemployment insurance taxes, payment of unemployment insurance benefits and delivery of employment services will be replaced in 2024, and it is anticipated that the project will be implemented in Q3 of 2024.

UI Staff

Positions were added to ensure adequate support of staff to effectively perform their job duties. The UI Benefits team created a plan to begin in 2024 to accept and hire UI Intake positions to applicants across the state. The position is 100% remote and will allow the Contact Center to expand staffing prospects to more diverse areas across the state.

UI Benefit Payments

Beginning July 1, 2023, the maximum weekly benefit was \$589 and the minimum is \$147. In 2023, the maximum total benefit weeks were 16.

Federal Pandemic Programs

With the ending of the federal pandemic programs, which were available through benefit week ending Sept. 4, 2021, KDOL continued in 2023 to process any outstanding determinations, appeals and fraud investigations to ensure outstanding benefits are paid.



WORKERS COMPENSATION

The Workers Compensation division is responsible for the administration of the Kansas Workers Compensation laws and rules. Our goal is to ensure employees injured at work, employers, health care providers and insurance carriers receive timely, impartial and fair claim resolution.

Annual Workers Compensation Seminar

The division presents an annual seminar which provides attorneys, and other stakeholders practicing in the field, an opportunity to get current information on workers compensation and to earn continuing legal education credits. In addition, the seminar provides continuing medical education credits for nurses practicing in the area and credits for certified case managers. Topics included legislative and case law updates, occupational medicine, and ethics training, as well as other medical and computation classes that qualified participants for mandatory educational credits. For the first time since 2019 the seminar was onsite at the Overland Park Convention Center in Overland Park, KS in September. The onsite seminar was attended by 311 people and 250 attendees received continuing education credits.

Judicial Section

Workers Compensation has 10 administrative law judges throughout the state whose primary function is to conduct timely hearings in contested workers compensation claims, and render orders based on the facts presented, as applied to the Workers Compensation Act. For an initial determination of benefits, preliminary hearings are set on a priority basis, and preliminary hearing decisions are issued within five days of the hearing being closed. A list of the workers compensation law judges and their contact information is available at www.dol.ks.gov/wc/mediation-and-judicial-services.

Online System for Claims Administration Research/Regulation

Launched in November 2018, the Online System for Claims Administration Research/Regulation (OSCAR) is the Workers Compensation division's information system. Almost all division operations are processed through this digital system. A large majority of digital filings in OSCAR are by attorneys for docketing workers compensation cases and requesting hearings before the division's administrative law judges. Other external users of the system include legal assistants, court reporters, insurers, employers, and workers compensation claimants. The division processes all records requests, elections, fraud investigations, self-insurance permits, compliance actions and assessments through OSCAR as well.

Last year, the WC Fraud and Abuse unit received and investigated **338** referrals. There were **26** fraud and abuse administrative cases, including settlements, which were prosecuted, resulting in more than **\$394,000** in fines, penalties, and restitution.

2023 REVIEW



18,512
OSCAR Requests from External Parties

48,725Legal Filings in OSCAR



14,252C Hearings Created in OSCA



364

WC Fraud and Abuse Referrals Received and Investigated

There were over 6,000 registered external OSCAR users in 2023. There were **18,512** total requests of OSCAR records. The overwhelming majority of these requests relate to an offer of employment (14,508) while the rest are regarding workers seeking benefits (3,980) and requests of personal records housed in the OSCAR system (24).

In 2023, there were **48,725** legal filings made in OSCAR. In addition, there were **10,605** exhibits and transcripts uploaded to OSCAR for hearings. Requests for workers compensation benefits (3,567), requests for hearings (4,653), and entries of appearance by lawyers needing formal access to a case (5,151) constituted the majority of legal filings. There were 143 appeals filed.

There were **14,252** hearings created in OSCAR in 2023. Settlement hearings (5,857), preliminary hearings (3,860), prehearing settlement conferences (2,602) and regular hearings (1021) made up the majority of hearing activity.

Workers Compensation Board

The Workers Compensation Appeals Board was established in 1993 to decide appeals of orders and awards from the workers compensation administrative law judges. Hoping to obtain more uniform decisions throughout the state, the Kansas Legislature created the board to replace the state's district court judges in the appeal process.

Current Board Members:

- Will Belden
- John Carpinelli
- Chris Clements
- Rebecca Sanders (Chair)
- Seth Valerius





COMMUNICATIONS

The Communications division keeps employers, claimants, media and the public informed about activities of the agency through media such as news releases, website updates, marketing, and social media posts. The division also supports internal communications for KDOL staff.

In 2023, the Communications division has played a pivotal role in fostering effective communication both internally and externally. This annual report highlights the department's key achievements, challenges faced, and outlines the strategic initiatives planned for the upcoming year.

Internal Communication

- Implemented a monthly internal newsletter, increasing employee engagement.
- Launched an internal communication platform, facilitating real-time information sharing and collaboration.
- Conducted successful town hall meetings addressing employee concerns and fostering a sense of transparency.

External Communication

- Successfully managed press releases for major product launches, resulting in positive media coverage.
- Developed and maintained strong relationships with key external stakeholders.

Crisis Communication

- Implemented an updated crisis communication plan, ensuring a rapid and effective response during emergencies.
- Conducted crisis simulation drills to enhance preparedness and identify areas for improvement.

The Communications division looks back on a successful year, marked by significant achievements and valuable lessons. As we move forward, our focus remains on adapting to change, embracing innovation, and continuing to enhance communication strategies to better serve the organization.

2023 REVIEW



1 2 Press Releases

Projects
Internal and External



546 Social Media Posts (Includes Facebook, Twitter,

311New Followers

Instagram and LinkedIn

9,520Engagements
(Likes, reactions, comments, shares and link clicks)

GOVERNMENT AFFAIRS

The Government Affairs team monitored and/or contributed testimony (verbal and/or written), presentations, and/or follow up answers to questions raised in committee to approximately 20 committees/councils.

- Significant negotiations on HB 2401 continued through the summer to produce an amendment for this bill.
- Negotiations on a comprehensive update to the Kansas Workers
 Compensation Act continued throughout the entirety of the year. A
 stakeholder agreement on language was reached and the bill is at the Revisor
 of Statutes for introduction in the 2024 Kansas Legislation Session.
- Multiple Labor meetings occurred to keep organized labor updated on KDOL priorities and provide an opportunity for labor to ask questions of staff.





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Verbal Testimony

3Written Testimony

3Verbal with Written Testimony



Presentations/Updates



Follow up Documentation

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