



# Operations Update

*Acting Secretary Ryan Wright*

*August 12, 2020*



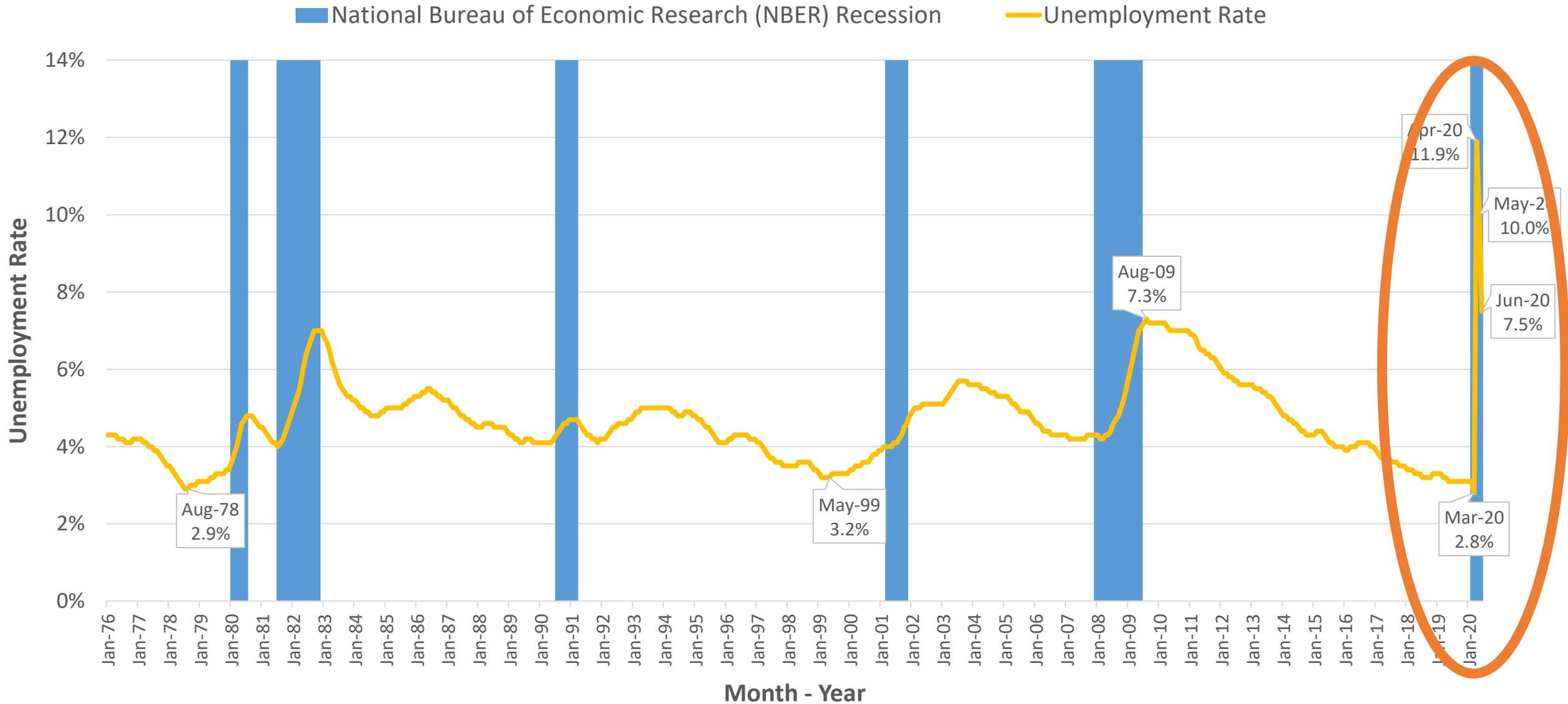
## My Role

Assess agency operations, implement improvements, and stabilize agency until a permanent Secretary is appointed.

## My Top Priority

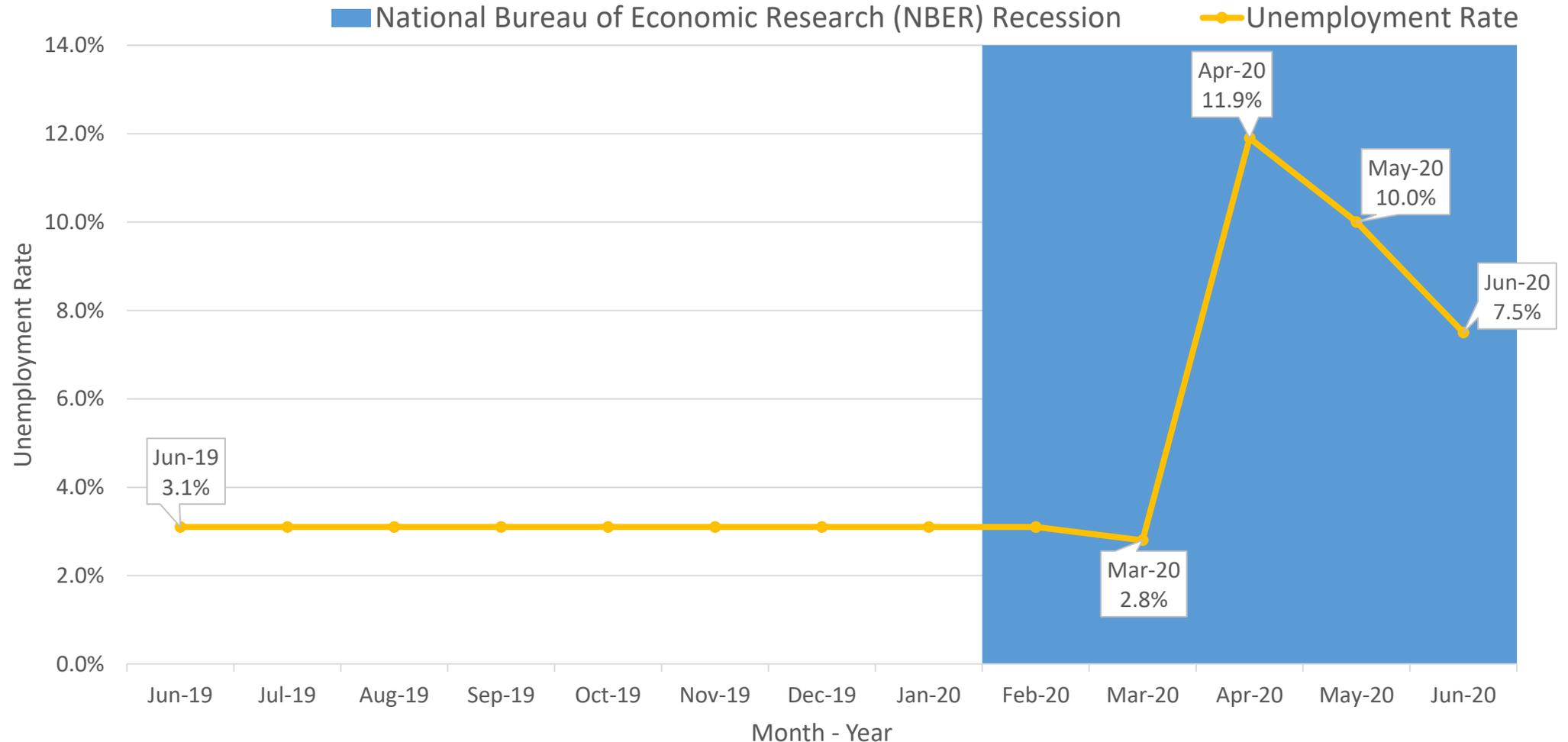
Get Kansans paid as quickly as possible and improve their customer service experience.

# Kansas Unemployment Rate January 1976 to June 2020



In the span of one month, Kansas went from the lowest unemployment rate in history to the highest.

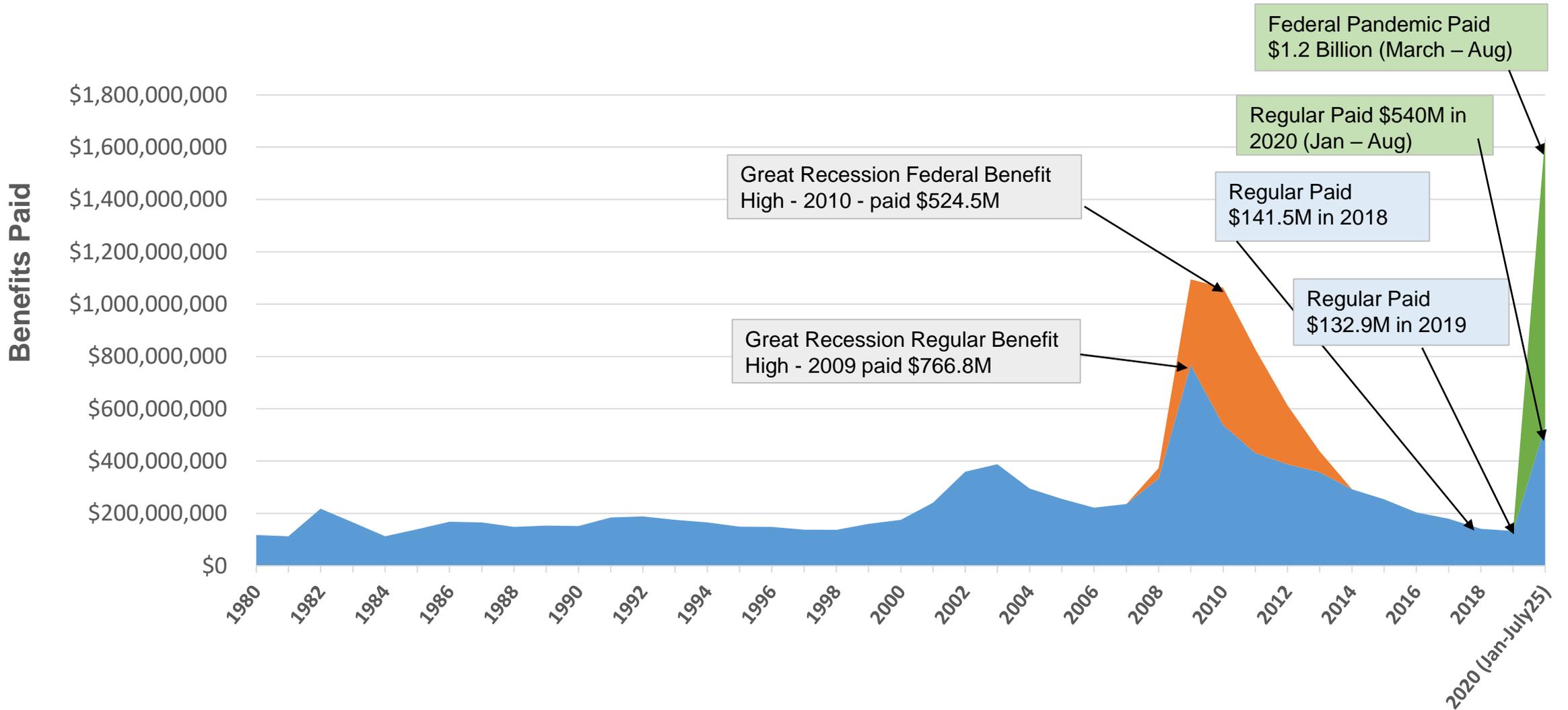
## Kansas Unemployment Rate June 2019 to June 2020



Source: Kansas Department of Labor, Labor Market Information Services and the Bureau of Labor Statistics; Local Area Unemployment Statistics (LAUS)

# Kansas Benefits Paid

- Total Federal Pandemic Benefits Paid
- Total Great Recession Benefits Paid
- Total Regular Benefits Paid



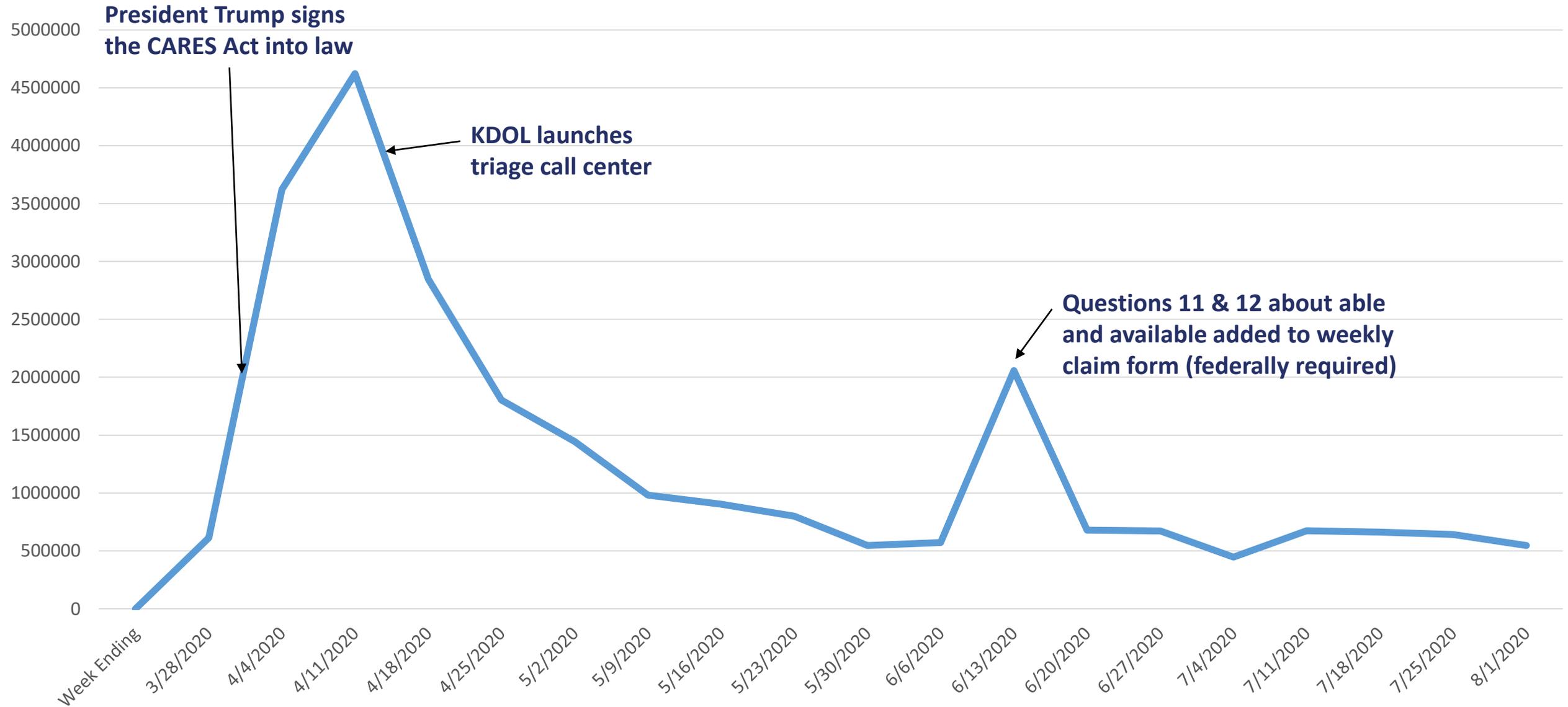
Since March 15, KDOL has paid out more than **2 million weekly claims** totaling over **\$1.77 billion** between regular unemployment, and the federal pandemic programs.

**Total** unemployment paid:  
2018: **\$141.5M**  
2019: **\$132.9M**

The **average** four-month amount paid from KDOL for 2018 and 2019 is around **\$46M**.

# Incoming calls to the KDOL Call Center

## March 23 – July 27, by week



<b>Unemployment Insurance Staffing</b>	<b>Pre-COVID Staffing Levels</b>	<b>Current Staffing Levels</b> <i>(including contract &amp; temp employees)</i>	<b>Surge Staffing Needs</b> <i>(estimated)</i>	<b>Difference</b>
<b>Intake</b>	25	128	205	<b>-77</b>
<b>Adjudications</b>	20	26	50	<b>-24</b>
<b>Appeals</b>	26	29	50	<b>-21</b>
<b>Other</b>	97	75	149	<b>-74</b>
<b>Total</b>	<b>168</b>	<b>258</b>	<b>454</b>	<b>-196</b>

<b>PUA Staffing</b>	<b>Pre-COVID Staffing Levels</b>	<b>Current Staffing Levels</b> <i>(including contract &amp; temp employees)</i>	<b>Surge Staffing Needs</b> <i>(estimated)</i>	<b>Difference</b>
<b>PUA Intake</b>	n/a	9	50	<b>-41</b>
<b>PUA Adjudications</b>	n/a	4*	20	<b>-16</b>
<b>PUA Appeals</b>	n/a	0	5	<b>-5</b>
<b>PUA Other</b>	n/a	21	50	<b>-29</b>
<b>Total</b>	<b>n/a</b>	<b>34</b>	<b>125</b>	<b>-91</b>

\* Anticipated Deployment 8/7/20 Pending Successful UAT Testing Completion



1

6

5

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# Unemployment Insurance Programs

## UI

UP TO  
**26**  
weeks

- Filing for Unemployment Insurance (UI) is the first step for affected workers
- Now available for up to 26 weeks (the state of Kansas temporarily extended benefits from 16 to 26 weeks for claimants who filed Jan 1, 2020 or later)
- File online at [www.GetKansasBenefits.com](http://www.GetKansasBenefits.com)

## PEUC

UP TO  
**13**  
weeks

- Pandemic Emergency Unemployment Compensation (PEUC) is a federal extension of benefits of up to 13 weeks for those who have exhausted UI, in every state in which entitled
- Available for up to 13 weeks from March 29, 2020 through Dec. 26, 2020
- Once your claim has a zero balance, you can apply for PEUC online at [www.GetKansasBenefits.gov](http://www.GetKansasBenefits.gov)

## EB

UP TO  
**20**  
weeks

- Extended Benefits (EB) was triggered on June 7, 2020
- Provides an additional 20 weeks of benefits
- Available only after PEUC is exhausted
- Apply online at [www.GetKansasBenefits.gov](http://www.GetKansasBenefits.gov)

## PUA

UP TO  
**46**  
weeks

- Pandemic Unemployment Assistance (PUA) expands access to unemployment by including those who traditionally cannot access unemployment (*such as self employed, independent contractors, gig workers, employees of religious organizations, and those who lack sufficient work history or have been disqualified for state benefits*)
- Available for up to 46 weeks from February 2, 2020 through December 26, 2020
- To receive PUA, you cannot be eligible for UI, PEUC, or EB and your unemployment must be due to COVID-19
- Apply online at [www.PUA.GetKansasBenefits.gov](http://www.PUA.GetKansasBenefits.gov)

Expired  
7/25/20

## FPUC

- Federal Pandemic Unemployment Compensation (FPUC) was available March 29, 2020 through July 25, 2020
- FPUC sent out weekly payments of \$600 to eligible claimants receiving benefits from UI, Shared Work, TRA, Disaster Unemployment Assistance, PUA, or PEUC
- No application was necessary

# UI

UP TO  
**26**  
weeks

## Status

# of Claimants	183,213
\$ of Claims Paid	\$540,025,723

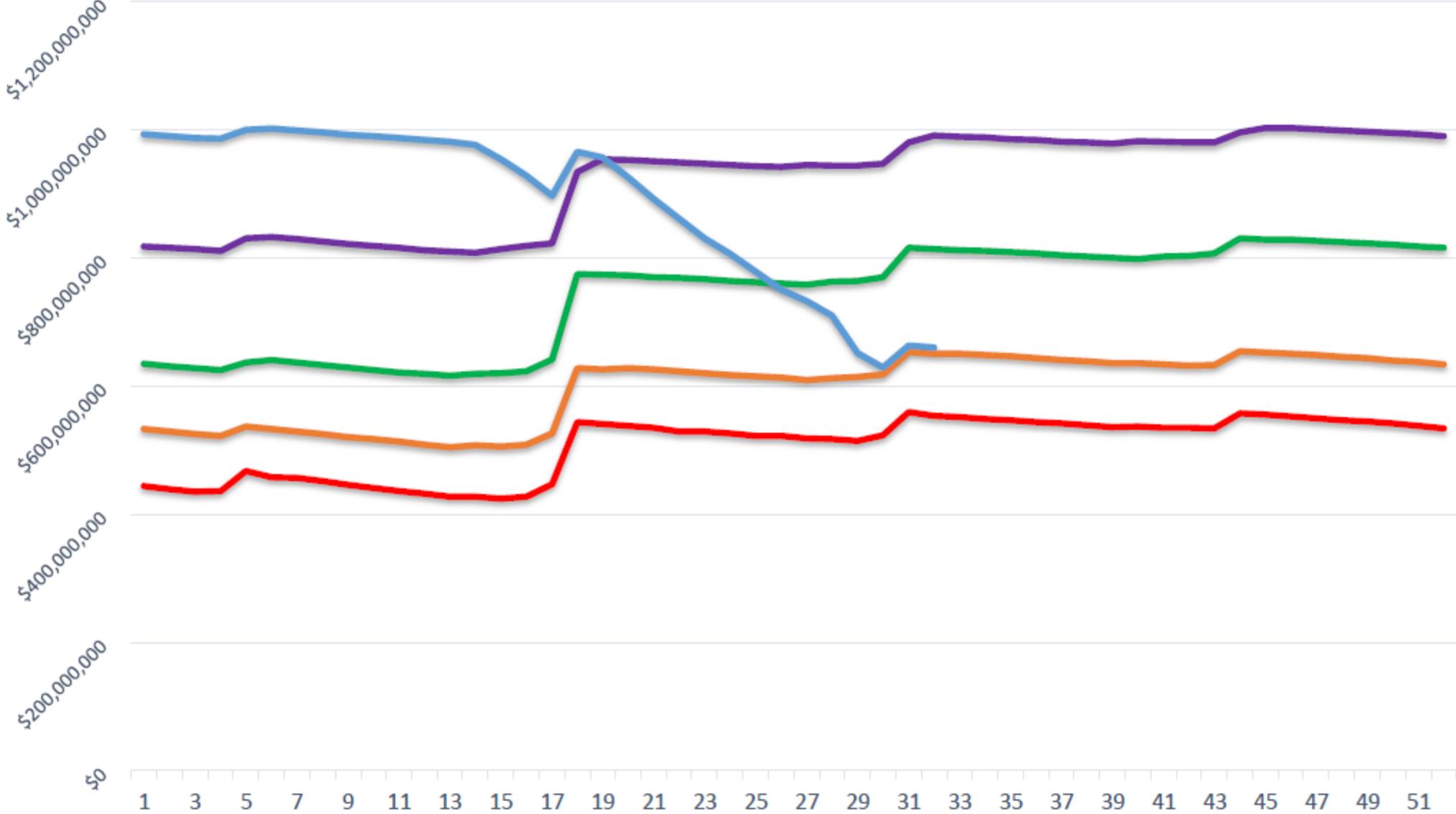
## Remaining Challenges

- Claims backlog: 2,320
- Adjudications and appeals backlog: Estimated: 25,000+
- Addressing the backlog of emails and forms: Estimated 10,000+
- Automation/Limited self-service tools for claimants

# Weekly Trust Fund Balance

## Jan 01, 2016 - August 08, 2020

2016 2017 2018 2019 2020



# UI Trust Fund Projections



## Estimated Trust Fund Payout Scenarios (without contributions)

### Kansas

Payout was 107.4 million in July, AVG WBA for week ending 8/1/20 was \$327.50

	Current Month Payout (July 2020 - Unreconciled) \$107,352,849 Per Month	Highest Month Payout (May 2020) \$139,392,819 Per Month	Previous Highest Month Payout (April 2020) \$125,555,000 Per Month	Payout \$110,000,000 Per Month	Payout \$100,000,000 Per Month	Payout \$90,000,000 Per Month	Payout \$80,000,000 Per Month
Jul-20	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000
Aug-20	\$ 556,047,151	\$ 524,007,181	\$ 537,845,000	\$ 553,400,000	\$ 563,400,000	\$ 573,400,000	\$ 583,400,000
Sep-20	\$ 448,694,302	\$ 384,614,362	\$ 412,290,000	\$ 443,400,000	\$ 463,400,000	\$ 483,400,000	\$ 503,400,000
Oct-20	\$ 341,341,453	\$ 245,221,543	\$ 286,735,000	\$ 333,400,000	\$ 363,400,000	\$ 393,400,000	\$ 423,400,000
Nov-20	\$ 233,988,604	\$ 105,828,724	\$ 161,180,000	\$ 223,400,000	\$ 263,400,000	\$ 303,400,000	\$ 343,400,000
Dec-20	\$ 126,635,755	\$ (33,564,095)	\$ 35,625,000	\$ 113,400,000	\$ 163,400,000	\$ 213,400,000	\$ 263,400,000
Jan-21	\$ 19,282,906		\$ (89,930,000)	\$ 3,400,000	\$ 63,400,000	\$ 123,400,000	\$ 183,400,000
Feb-21	\$ (88,069,943)			\$ (106,600,000)	\$ (36,600,000)	\$ 33,400,000	\$ 103,400,000
Mar-21						\$ (56,600,000)	\$ 23,400,000
Apr-21							\$ (56,600,000)
May-21							
Jun-21							
Jul-21							
Aug-21							
Sep-21							
Oct-21							
Nov-21							
Dec-21							

Est. August 2020

# UI Trust Fund Projections



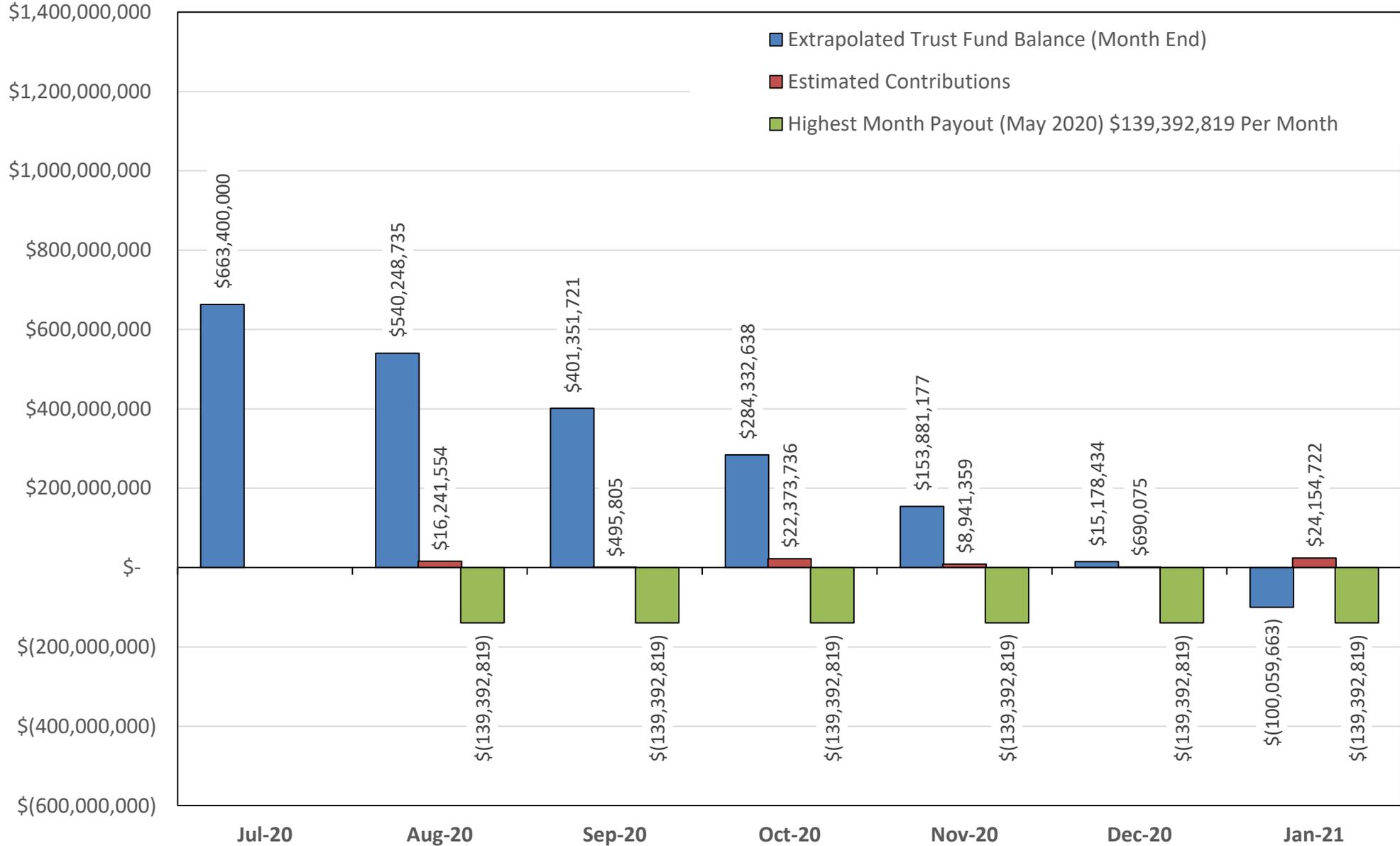
Estimated Trust Fund Payout Scenarios (with contributions)							
Kansas							
Payout was 107.4 million in July, AVG WBA for week ending 8/1/20 was \$327.50							
	Current Month Payout (July 2020 - Unreconciled)	Highest Month Payout (May 2020)	Previous Highest Month Payout (April 2020)	Payout	Payout	Payout	Payout
	\$107,352,849 Per Month	\$139,392,819 Per Month	\$125,555,000 Per Month	\$110,000,000 Per Month	\$100,000,000 Per Month	\$90,000,000 Per Month	\$80,000,000 Per Month
Jul-20	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000	\$ 663,400,000
Aug-20	\$ 572,288,705	\$ 540,248,735	\$ 554,086,554	\$ 569,641,554	\$ 579,641,554	\$ 589,641,554	\$ 599,641,554
Sep-20	\$ 465,431,661	\$ 401,351,721	\$ 429,027,359	\$ 460,137,359	\$ 480,137,359	\$ 500,137,359	\$ 520,137,359
Oct-20	\$ 380,452,548	\$ 284,332,638	\$ 325,846,095	\$ 372,511,095	\$ 402,511,095	\$ 432,511,095	\$ 462,511,095
Nov-20	\$ 282,041,057	\$ 153,881,177	\$ 209,232,453	\$ 271,452,453	\$ 311,452,453	\$ 351,452,453	\$ 391,452,453
Dec-20	\$ 175,378,284	\$ 15,178,434	\$ 84,367,529	\$ 162,142,529	\$ 212,142,529	\$ 262,142,529	\$ 312,142,529
Jan-21	\$ 92,180,157	\$ (100,059,663)	\$ (17,032,749)	\$ 76,297,251	\$ 136,297,251	\$ 196,297,251	\$ 256,297,251
Feb-21	\$ (8,432,639)			\$ (26,962,696)	\$ 43,037,304	\$ 113,037,304	\$ 183,037,304
Mar-21					\$ (56,326,737)	\$ 23,673,263	\$ 103,673,263
Apr-21						\$ 48,101,025	\$ 138,101,025
May-21						\$ (12,484,385)	\$ 87,515,615
Jun-21							\$ 8,363,993
Jul-21							\$ (32,827,132)
Aug-21							
Sep-21							
Oct-21							
Nov-21							
Dec-21							

Est. August 2020

# Extrapolated Benefits, Contributions, and Trust Fund Balance (assuming highest month benefit)

Kansas

July 2020 to January 2021



Source: Kansas Department of Labor, Labor Market Information Services.

# PEUC

UP TO  
**13**  
weeks

## Status

# of Claimants	4,240
\$ of Claims Paid	\$8,989,753

## Remaining Challenges

- No backlog, but there are technical errors in the code which is affecting payments.
- Confusion about application process.
- Issues related to claimants with earnings in multiple states.

# EB

UP TO  
**20**  
weeks

## Current Status

# of Claimants	268*
\$ of Claims Paid	\$261,411

## Remaining Challenges

- Making sure eligible claimants know to apply

*\*EB Program recently launched and most claimants are not yet eligible.*

# FPUC

**EXPIRED**  
**7/25/20**

## Current Status

# of Claimants	218,483
\$ of Claims Paid	\$1,125,413,844

## Remaining Challenges

- Paying eligible claimants who are still in the appeals/ adjudications process.
- If reinstated by Congress, could involve significant IT work which could delay payments.
  - A % replacement of wages would be much more challenging to implement than a flat amount.

# PUA

UP TO  
**46**  
weeks

## Current Status

# of Claimants	25,968
\$ of Claims Paid	\$97,574,121

## Remaining Challenges

- Program build out is not complete.
- Significant backlog due to both processing and program issues – limited claimants being paid.
- Adjudications have not started.
- Backlog of email communications is estimated at 2,000.

## Fraud

- Seeing a large increase in identity theft and high-level schemes – especially with PUA program.
- KDOL has/will:
  - Implemented procedures to assist staff in **vetting all new claims** and reviewing for fraud.
  - Continued working with national partners to **implement best practices** related to fraud prevention.
  - Launched a site ([www.ReportFraud.ks.gov](http://www.ReportFraud.ks.gov)) for Kansans to **report unemployment claims-related identity theft.**
  - **Work with businesses** over the coming weeks to notify them of these resources.

## **Working with Accenture**

### **➤ Claims & Call Center Management**

- More surge support needed; enhance existing processes

### **➤ Information Technology**

- Stabilize existing system & Modernize

### **➤ Communications/Customer Service**

- Improve communication across agency; website redesign

### **➤ Accounting**

- Perform program audit; confirm everyone is paid

### **➤ Database Health Check**

### **➤ PUA Operational Assessment**

## **Recent Progress**

- ✓ Hired/trained 50 additional call center agents.
- ✓ Launched revamped call cue to accommodate more callers.
- ✓ Launched Amelia, online assistant. To date over 170,000 messages have been exchanged, reducing stress on call centers.
- ✓ Hired additional IT programming and analyst staff.
- ✓ Implemented Extended Benefits program.
- ✓ Implemented tools to identify potential fraud – including ID theft.
- ✓ Finalizing Accenture assessment.

# **Priorities Going Forward**

## **Immediate**

- Get eligible claimants paid
- Fully implement PUA program
- IT stabilization
- Continued fraud mitigation
- Continue increasing call center capacity
- Trust Fund analysis
- Program Audit
- Working on a new customer service program so that claimants get a timely response from the agency.

## **Near-Term**

- Improve IT testing environment
- Develop data strategy
- Re-design website
- Provide additional self-service tools for claimants

## **Long-Term**

- System modernization

**QUESTIONS?**

