Operations Update

Bill Periman
August 11, 2020
**My Role**
Lead KDOL information technology organization. Stabilize the current IT environment to position for continued change.

**My Top Priority**
Get Kansans paid as quickly as possible and improve their customer service experience.
Kansas Unemployment Rate
January 1976 to June 2020

Source: Kansas Department of Labor, Labor Market Information Services and the Bureau of Labor Statistics; Local Area Unemployment Statistics (LAUS)
In the span of one month, Kansas went from the lowest unemployment rate in history to the highest.
Kansas Benefits Paid

- **Great Recession Federal Benefit**
  - High - 2010 - paid $524.5M

- **Great Recession Regular Benefit**
  - High - 2009 paid $766.8M

- **Regular Paid**
  - $141.5M in 2018
  - $132.9M in 2019
  - $534.0M in 2020 (Jan – July)

- **Federal Pandemic Paid**
  - $1.1 Billion (March – July)
Since March 15, KDOL has paid out more than **1.8 million weekly claims** totaling over **$1.6 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**.
Unemployment Insurance Programs

- 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).
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
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.
Current Status

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<thead>
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<tbody>
<tr>
<td># of Claimants</td>
<td>372*</td>
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<tr>
<td>$ of Claims Paid</td>
<td>$261,287</td>
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Remaining Challenges

- Making sure eligible claimants know to apply

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

Current Status

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<td># of Claimants</td>
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<td>$1,026,714,012</td>
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EXPIRED 7/25/20
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.

Current Status

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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.
  • Continue working with national partners to implement best practices related to fraud prevention.
  • Launched a site (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

✓ Launched Amelia, online assistant – to date over 260,000 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
**IT Priorities Going Forward**

**Immediate**
- Get eligible claimants paid
- Fully implement PUA program
- IT stabilization
- Continued fraud mitigation
- Working on a new customer service program so that claimants get a timely response from the agency
- Increase staffing to address capacity needs

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

**Long-Term**
- System modernization
Opportunities for Improvement

• Accenture Assessment
• Database Health Check
• Case Management

Methodology

• Increased use of Agile
• Adherence to SDLC

Framework/Model

• ITIL
• CMMi
QUESTIONS?