Operations Update

Bill Periman

August 11, 2020

Kansas
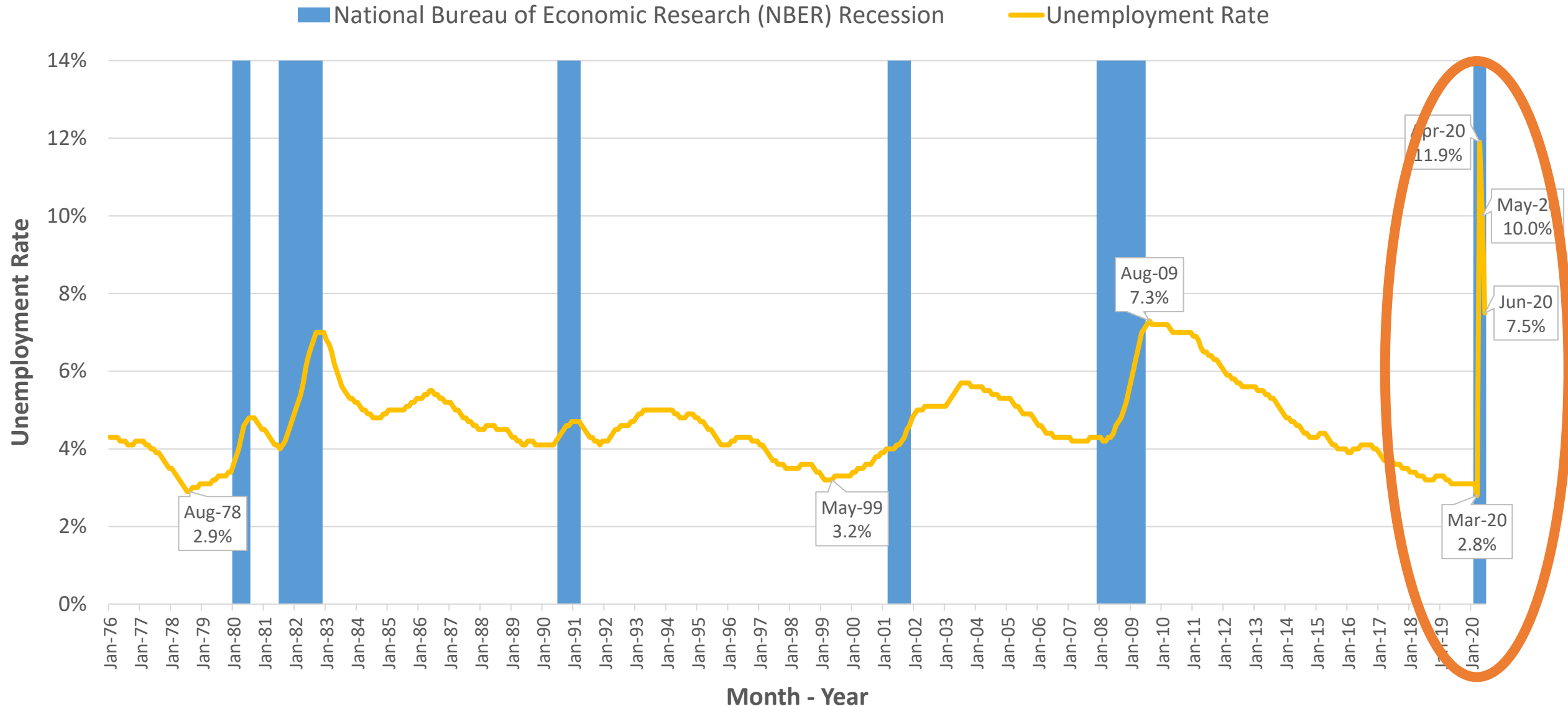Department of Labor

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My Role
Lead KDOL information technology organization. Stabilize the current IT environment to position for continued change.
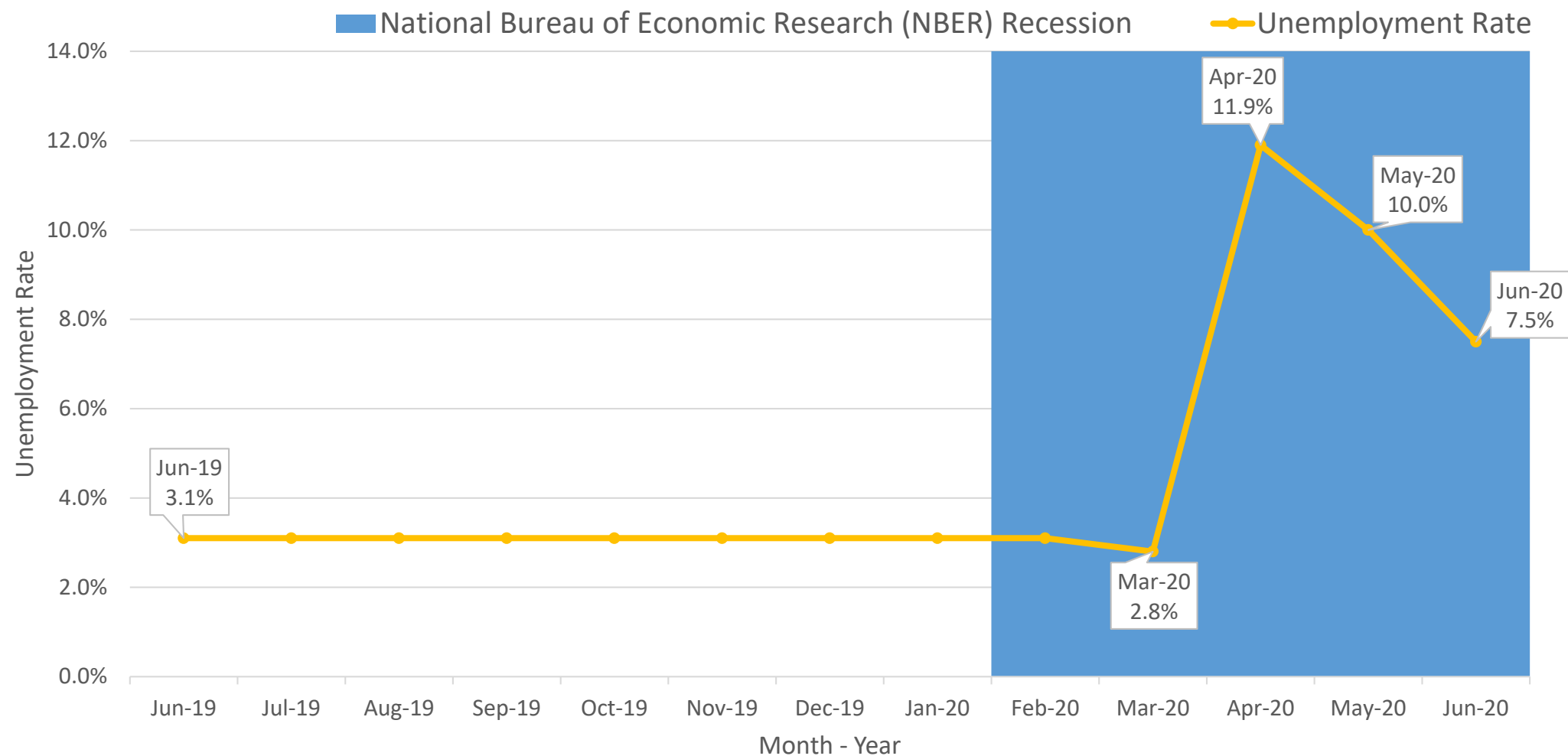
My Top Priority
Get Kansans paid as quickly as possible and improve their customer service experience.

Kansas
Department of Labor

Kansas Unemployment Rate
January 1976 to June 2020

Legend: ■ National Bureau of Economic Research (NBER) Recession ── Unemployment Rate

Annotations on chart:
- Apr-20: 11.9%
- May-20: 10.0%
- Jun-20: 7.5%
- Aug-09: 7.3%
- May-99: 3.2%
- Aug-78: 2.9%
- Mar-20: 2.8%

Y-axis: Unemployment Rate (0% to 14%)
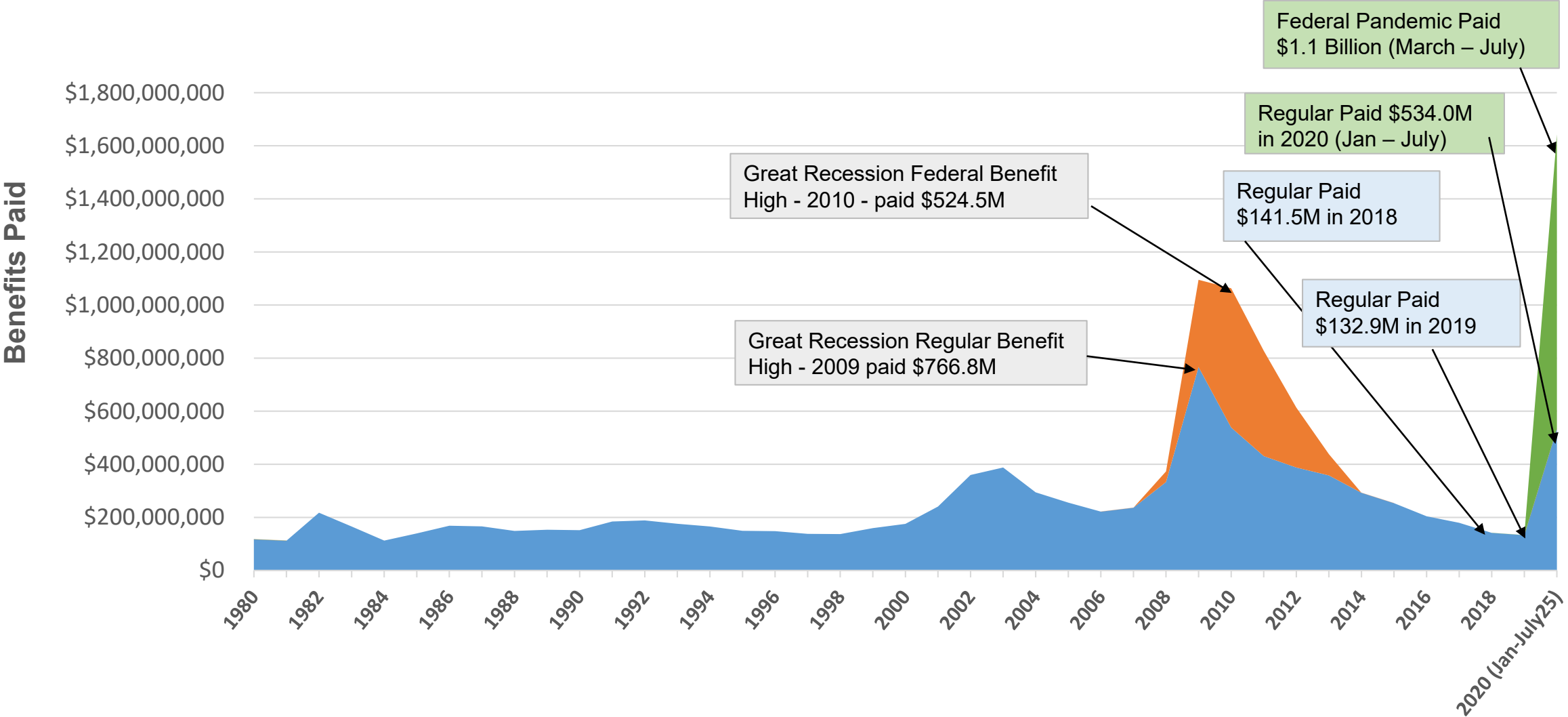X-axis: Month - Year (Jan-76 to Jan-20)

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 Unemployment Rate
June 2019 to June 2020**

Legend: ■ National Bureau of Economic Research (NBER) Recession   ━ Unemployment Rate

Jun-19 3.1%
Mar-20 2.8%
Apr-20 11.9%
May-20 10.0%
Jun-20 7.5%

Y-axis: Unemployment Rate (0.0%, 2.0%, 4.0%, 6.0%, 8.0%, 10.0%, 12.0%, 14.0%)

X-axis: Month - Year (Jun-19, Jul-19, Aug-19, Sep-19, Oct-19, Nov-19, Dec-19, Jan-20, Feb-20, Mar-20, Apr-20, May-20, Jun-20)

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

Kansas Benefits Paid

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

Federal Pandemic Paid $1.1 Billion (March – July)

Regular Paid $534.0M in 2020 (Jan – July)

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

Regular Paid $141.5M in 2018

Great Recession Regular Benefit High - 2009 paid $766.8M

Regular Paid $132.9M in 2019

Y-axis: Benefits Paid — $0 to $1,800,000,000

X-axis: 1980 to 2020 (Jan-July25)

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**.

Kansas
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Unemployment Insurance Programs

UI

UP TO 26 weeks

- Filing for Unenmployment 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

UI

UP TO
26
weeks

Status	
# of Claimants	179,052
$ of Claims Paid	$498,133,002

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

PEUC

UP TO **13** weeks

Status	
# of Claimants	2,934
$ of Claims Paid	$6,801,251

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	372*
$ of Claims Paid	$261,287

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	209,714
$ of Claims Paid	$1,026,714,012

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	25,656
$ of Claims Paid	$102,483,487

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 <u>new</u> 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**

<u>Recent Progress</u>

✓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?