Joint Committee on Information Technology
Questions from Committee

Question 1: Please define what you mean by immediate, near-term and long-term in your presentation when referring to IT Priorities Going Forward.

- **Immediate IT priorities** are those changes needed to generate payments to claimants in a manner that is reliable. Immediate changes will provide improved processes and practices to reduce delays, mistakes, and issues in payments.
- **Near-term IT priorities** include changes to systems, processes, and practices needed to improve the ability of technology to provide benefits to Kansans in a more efficient manner.
- **Long-term IT priorities** focus on changes to technology that will provide increased agility in responding to changing demands.

Question 2: Please expand on what you mean by “system stabilization”.

System stabilization focuses on increasing the value of existing technology through changes to configurations or system processes. The goal of system stabilization is to identify and implement improvements, which will result in results that are more predictable.

Question 3: Please give Sec. Wright’s explanation of the issue with the two questions that caused issues when filing weekly claims.

When the pandemic hit, USDOL noted the states have flexibility to determine what it means to be able, available, and seeking work, even when quarantined or otherwise affected by COVID-19. Stay at home orders, quarantines, school and business closures, etc. created a great deal of confusion. As a result, KDOL removed the able and available questions from the weekly claim process; however, USDOL later advised that such action was impermissible. As a result, KDOL added the questions back into the weekly claim application. Claimants struggled to answer these questions. They were faced with scenarios like: yes, I am available to work, but there is a stay at home order; no, I am not able to work, but it is because I tested positive for COVID-19; etc.

Question 4: Please provide more in depth information on the 25,000 adjudications/appeals claims backlog mentioned in your presentation.

The KDOL adjudications department has approximately 22,500 issues pending. In the Office of Appeals, which hears appeals of unemployment determinations, there is a backlog of approximately 2,500 cases. The adjudications backlog is exacerbated by the addition of the two questions discussed in Question 3’s answer. We know that a portion of the adjudications backlog is the result of claimant’s confusion and answering these questions incorrectly. In appeals, the office was completely shut down for approximately a month due to limitations on staff working onsite. The Office of Appeals is working with not only increased appeals, but also working through the backlog caused by having the office closed.

Question 5: Please expand on KDOL’s fraud efforts, in particular how KDOL is working to prevent fraud and to work with local D.A.’s. (Brett’s explanation given in committee was hard to hear.)

We utilize many different fraud prevention strategies. KDOL utilizes the National New Hire Directory, State New Hire Directory, and Quarterly Wage Reports to help identify fraud. In addition to those tools, we are engaging with NASWA and working to utilize a number of their different fraud prevention tools in an effort to share information about fraud rings across the nation, including participation in NASWA’s Integrity Data Hub, and recently offered Identity Verification Service. Additionally, we have our own internal business analytics tools that allow us to look for suspicious indicators in claims, so that we can research those and stop fraud before money goes out the door. We have also worked with Accenture to create an identity theft reporting form that allows for a more streamlined process for not only our staff,
Joint Committee on Information Technology
Questions from Committee

but claimants too. I would also add on the fraud that we work closely with law enforcement partners, including the USDOL-OIG, with whom we entered into a data-sharing agreement and to whom we provided a large amount of UI data in response to a subpoena. The intent behind both was for USDOL-OIG to assist in identifying fraud trends.

Question 6: Please tell us the cost associated with Accenture, and how they were selected.
1) The initial contract engagement with Accenture was under an existing master Contract that they were already on with the state. It was for a phase 1 assessment for $388,000.
2) Subsequent engagements occurred on emergency PA guidelines given the urgency of the situation with UI and getting Kansans paid.
3) We continue to look for opportunities to utilize various partners in relationship to getting the necessary work done in UI. Some identified areas are being addressed either in house or with other partners.
4) KDOL is holding Accenture to tight accountability standards with daily outcomes. Each stage or additional action is being scrutinized and approved as needed.

Question 7: Please provide the full slide with the program and the path claimants take.
The updated presentation and the infographic of the path from regular unemployment to Pandemic Unemployment Assistance (PUA) is attached here.

Question 8: Please provide the number of Kansans that the 7.5% represent in relation to the unemployment rate.
The 7.5% represents 110,801 Kansans. This data is updated monthly when we release the Kansas Labor Market report that includes job numbers and the unemployment rate. The July data will be released on August 21, 2020 and can be found here: https://klic.dol.ks.gov/gsipub/index.asp?docid=472

Question 9: Will the tax rates for employers go up when you send out notices this fall for 2021?
Yes, employer’s individual rates will still change from 2020 to 2021, because many employers with the 2020 solvency adjustment of -.50% were at a 0% rate. In fact, about 25,000 employers out of around 75,000 employers, 1/3 of employers, were at a 0% rate in 2020. In 2020, the Rates ranged from 0% to 4.90%. Now with no solvency adjustment, employer’s rates will fall somewhere between .20% and 5.40% which is the standard rate schedule.

Question 10: Are all PUA claimants new to unemployment?
While many of the self-employed and gig workers are new to unemployment and the new PUA unemployment system, some claimants are not. Some claimants were eligible but disqualified for regular unemployment. Reasons for disqualification vary, like being in the Kansas 5-year fraud penalty period for having previously committed unemployment insurance fraud.