



**Testimony for KS House Commerce,
Labor & Economic Development Committee**

Employment Security Law Reforms

**Submitted on behalf of The Kansas State Council of the
Society for Human Resource Management (KS SHRM)**

January 26, 2021 | Phillip M. Hayes



Members of the Committee:

My name is Phillip Hayes and I am here today on behalf of The Kansas State Council of the Society for Human Resource Management (KS SHRM) in support of critical UI reforms. I am the Vice President of The Arnold Group, A Human Resource Company in Wichita, Kansas that provides staffing, recruiting, executive search, talent acquisition, and HR outsourcing solutions. Additionally, I currently serve as the Chairman of the Kansas Employment Security Review Board with the Kansas Department of Labor (KDOL), which I have served on since March 2014. I have been a local, state and national SHRM member for 20+ years and most recently served as KS SHRM Director.

KS SHRM is a professional organization representing over 2,200 HR professionals in Kansas and serves their needs and advances the interests of the profession throughout the state. Our members are responsible for developing and implementing workplace policies and practices that comply with federal, state, and local laws and provide guidance to line managers on fair and effective people management. Our members serve public and private sectors as well as large and small businesses. On a daily basis, our members are on the front lines when it comes to important employment issues such as workforce planning, HR development, compensation and benefits, employee relations, workers' compensation, and unemployment insurance.

When crisis and calamity take jobs away, the market economy alone cannot provide working people the help they need to make ends meet. That is where the Kansas Unemployment Insurance system comes in. The magnitude of the COVID-19 pandemic is unprecedented, overwhelming the Kansas Department of Labor's Unemployment Division's ability to serve claimants in a timely manner, and exposing significant structural weaknesses in the system. The Kansas UI system was not equipped to deal with the challenges workers and employers faced. Thousands of Kansans who lost jobs through layoffs or furloughs have and continue to experience extraordinary difficulty applying for and accessing benefits. There is broad agreement across the political spectrum that the antiquated computer systems used in Kansas has had catastrophic failures in responding to the economic emergency caused by the pandemic.

The COVID-19 pandemic brought our economy to a halt and overloaded the current KS UI compensation system in ways that no one anticipated. It's imperative that we modernize our system so that it serves Kansans promptly and efficiently during future critical times of need.

Kansas business leaders have clamored for an overhaul of the antiquated Kansas UI system for some time. In early 2010, I began chairing the KS SHRM – KS Unemployment Insurance Committee and based on my time and work on Kansas UI reforms since then, I have become widely known as the de facto Kansas Business UI Expert. Today, KS SHRM and I stand in strong support for necessary and critical reforms to Kansas UI system and programs.

1. Creation of the Unemployment Compensation Modernization and Improvement Council

- States rely heavily on Information Technology (IT) to accomplish their basic mission of collecting state UI taxes, processing UI claims and paying benefits. The UI IT system for Kansas was developed in the 1970s and is still in use today. There is an urgent need to modernize our system with continuity and appropriate oversight.
- The new Unemployment Compensation Modernization and Improvement Council would be comprised of 11 members, representing employers, employees, Kansas Legislators, and the Kansas Department of Labor. The primary focus of the Council includes:
 1. Review and recommend technological infrastructure used to file claims and pay benefits as well as the experience had by individuals and employers participating in the process
 2. Recommend system features that will maximize responsiveness for individuals and employers
 3. Recommend methods for sharing data across systems related to UI compensation to maximize efficiency
 4. Recommend methods for synergizing user experience across multiple programs administered by the KDOL

2. **KDOL IT Modernization – Continual UI IT System Development, Customization, Enhancements and Upgrades**
 - The pandemic caught the Kansas Department of Labor (KDOL) off guard, with low numbers of knowledgeable state employees regarding unemployment insurance benefits. Many Kansans were left without recourse and were unable to access assistance right away. KDOL administers unemployment compensation across the state with decades-old software and outdated computers. Investment in modern, reliable, and modifiable computer systems must be a critical first step to better serve impacted employees as well as employers. KDOL must adopt and implement a new infrastructure to efficiently administer unemployment insurance assistance in a timely, accurate, and secure manner.
 - A new IT modernization effort must define new system integrity requirements as well as have an implementation deadline to ensure a new Kansas UI IT system is in place to better serve Kansas employers and claimants before the next downturn.
3. **Unemployment Compensation Benefits Recipient Tax Notification**
 - Introduce a requirement to include an announcement on an unemployment insurance benefit claimant’s initial notice of determination. This notice serves to inform claimants of federal/state tax consequences of any unemployment compensation benefits the claimant may receive. It provides information regarding the tax withholding process and KDOL’s Income Tax Withholding Agreement (Form K-BEN 233) for tax withholding elections to each claimant at the beginning of their claim year.
4. **Kansas Unemployment Insurance Trust Fund Computations and Data Reporting Transparency**
 - Introduce a requirement to post and maintain trust fund computations/data for each of the most recent 20 fiscal years within 90 days of each fiscal year’s closing date. Employers should have a clear summary of the variables impacting their tax rate.
5. **Realign the Kansas Duration of Benefits with the Federal Reserve’s Definition of Full Employment Threshold of 5.0%**
 - Adjust the KS unemployment rate triggers which control the duration of benefits in Kansas by aligning state statute with the Federal Reserve’s base unemployment rate threshold of 5.0% – 5.2%, the national economic unemployment rate standard.
6. **Provide Additional Relief to All Reimbursing Employers for Claim Charges between 3/15/20 and 12/31/21**
 - Provide additional relief to all reimbursing employers for claim charges paid between 3/15/20 and 12/31/21.
7. **Recalibrate and Rebalance the Solvency and Credit Adjustment Triggers and Tax Tables**
 - Instead of charging a flat rate solvency adjustment to all employers, Kansas needs to adopt and apply the base rate MERIT based principles to any and all solvency and credit adjustments. Currently, employers’ annual standard rates are earned based on their “use of” the trust fund, which is their experience rating – a true merit rated system. By applying these same merit-rated principals to any and all solvency/credit adjustments for rated employers, the responsibility of the trust fund replenishment is more evenly spread out and avoids disproportionately penalizing employers who use the fund the least. This change provides fair and proportional trust fund solvency/credit adjustments for each and every rated employer.
 - Rebalance the trust fund automatic tax triggers and increase the number of tax rate tables beginning in CY 2022.
 1. Adjust automatic trigger thresholds to determine the tax table/rates to be utilized for each upcoming year.
 2. Increase the number of *solvency tax tables* from 5 to 6; increase the number of *credit tax tables* from 1 to 6.
 3. Apply the base rate merit-rated philosophy to the credit and solvency adjustments:
 - a. Levels the impact for each rate group at the same percentage increase/decrease, AND
 - b. Each rated employer’s tax rate (both the base rate as well as solvency/credit adjustment) would then be based truly on their overall earned experience rate, resulting from usage of the system.
 - Without adopting these changes – Kansas employers will experience the following increases in their UI tax rate:
 - a. Top/Best 10 Rate Groups:
 - 37,867 Employers | 64.55% of all rated employers
 - SUTA tax rate Increases ranging from **180.00% to 800.00%** | Average increase of **490.00%**
 - If under the OLD arrayed system as administered prior to 2016;
 - SUTA tax rate Increases ranging from **270.00% to 2,700.00%** | Average increase of **790.00%**

- b. Bottom 11 (Negative) Rate Groups:
 - 3,178 Employers | 5.42% of all rated employers
 - SUTA tax rate Increases ranging from **21.05% to 28.57%** | Average increase of **24.81%**
 - With proposed changes – ALL rated KS employers will experience the same increase in their UI tax rate:
 - a. Top, Bottom and ALL rate groups in between:
 - 58,665 Employers | 100.00% of ALL rated employers
 - SUTA tax rate of **26.32%** (max) | Average increase of **26.32%** (max)
- 8. Provide Immediate Economic Relief to Employer Chargeability and Credits as it relates to any Claimant Fraud Determination**
- Employers should receive full chargeability credits immediately upon fraud determination decisions for any unemployment benefit amounts erroneously or fraudulently paid to any person associated w/ their account.
- 9. Provide Economic Relief to the KS UI Trust Fund Related to All Improper Payments Between 3/15/20 and 12/31/22**
- As reported under The Payment Integrity Information Act (PIIA), and as a result of the inadequacies of the KDOL’s unemployment insurance compensation IT system, any and all improper payment amounts determined between 3/15/20 and 12/31/22 should be replenished to the Kansas Unemployment Insurance Trust Fund through funds in the state general fund or any alternative fund determined by the legislature.
 - The KS UI Trust Fund should receive an allocation of future federal funds that KS receives after 1/1/21 in response to and/or related to a pandemic.
 - Any federal unemployment benefit programs established as a result of COVID-19 or future pandemic should NOT be continued with any Kansas State Unemployment Tax Act (SUTA) contributions made by Kansas employers.
- 10. Enhance the Work Share Program to Prevent Future Layoffs**
- KDOL should increase awareness/support and reduce the administrative burden for the Work Share Program. Work Share allows employers to reduce hours rather than resort to layoffs while workers maintain employer-sponsored benefits and receive unemployment benefits to offset reduced hours. This underutilized program keeps workers connected with employers so that when the economic improves, employers can increase their hours again without having to rehire and train.
 - Create a requirement for KDOL to create and manage an annual promotional campaign for the Work Share Program to encourage and improve business participation.
- 11. Requirement for KDOL to Acknowledge, Process and Respond to ALL Reported Job Refusals**
- Just as employers have 10 days to respond to KDOL’s Employer Job Refusal Statement form, KDOL should have the same requirement to respond to all job refusals reported by an employer. All reported job refusals should be acknowledged, processed and responded to in a timely manner to ensure a proper determination will be made by KDOL.

Additionally, I have included nine addendums (A-I) as additional background information as reference. In closing, KS SHRM strongly supports the critical changes necessary to enhance and strengthen the Employment Security Law. Thank you for service to our great state and also for the opportunity to appear before you. I would be happy to stand for questions now or at the appropriate time. I am also available by phone or email to address any future questions or concerns.

Respectfully,



Phillip M. Hayes, SPHR
Vice President – The Arnold Group
316.619.7864 | phayes@the-arnold-group.com

KS SHRM - December 2020 Survey Results: Employer UI Fraud Feedback

Company SIC Division:	Employer:	Total # of Employees:	Average Number of Annual Claims:	Total # of Claims in 2019:	Total # of Claims in 2020:	Total # of Known Fraudulent Claims in 2020:	Calculated Estimate of 2020 Fraudulent UI Claims in KS	Any additional information you would like to share with Governor Laura Kelly and/or Kansas legislators?
Services	CCC	247	6	4	107	105	98.13%	
Public Administration	WPS	9,500	300	319	3,372	2,500	74.14%	We have been bombarded with fraudulent claims. The employees and us never hear anything back on these to make sure they are taken care of. I have personally been hit, reported that a fraudulent claim was made and have yet to hear anything back from KDOL.
Manufacturing	UII	40	10	7	16	11	68.75%	The UI system and technology to handle these requests is in need of a severe update in order to increase efficiency and capacity and prevent further fraudulent claims in the future. Employers are currently plagued with fraudulent claims at a time when employers are already worn thin enough due to other strains of the pandemic.
Services	GCSAA	82	1-2	1-2	17	16	94.12%	
Not provided	MI	6	0	0	3	2	66.67%	
Finance, Insurance, and Real Estate	SLB	60	0	0	22	21	95.45%	Although we are a small employer, the amount of time it has taken to respond to these fraudulent claims is becoming a burden for both our one person HR department as well as the affected staff members. I can't imagine the additional work load for larger employers. If nothing can be done to stop the influx of fraudulent claims, there should be a better way for employers to quickly and easily notice up the KDOL that the claim is fraudulent. The KDOL site to report fraud does not take much time but given that we've not received any response except the canned email to the victim, there is no way to determine if the claim has been stopped.
Manufacturing	CI	130	2	2	15	15	100.00%	
Manufacturing	PL	145			36	30	83.33%	We need communication options. The phone numbers on the UI claims are either endless hold times, or endless loops of pressing numbers and never reaching a person. Employers are responding to claims but it is a black hole. No responses are received acknowledging that we have responded to the claim.
Public Administration	EC	215	10		60	58	96.67%	
Finance, Insurance, and Real Estate	MMGI	45	1-2	1	10	10	100.00%	Please find funds to upgrade the Kansas system. We have employees in 9 other states and to date, only Kansas has the fraudulent unemployment claim issue.
Wholesale Trade	4BC	3,000	200	260	1,500	1,000	66.67%	This has been an complete NIGHTMARE. Governor and Legislators, please address the discrepancies, the inadequate responses and most important, Upgrade this system UI-sides does not work and therefore this has to be completed manually. This mess needs your immediate attention!!!
Transportation, Communications, Electric, Gas and Sanitary Services	STCA	51	0	0	21	20	95.24%	As an employer who is required to submit an employee's personal information to the state, how do we reassure our employees that their personal information is safe and will not be misused in the future?
Survey Totals:		13,521	528	593	5,179	3,788	73.14%	

Kansas Unemployment Insurance Fraud Estimates

KS UI Fraud Payments - Estimate 1:				
November 2020 Labor Report: Seasonally adjusted private sector jobs	KS Regular Claims from 3/21/20-1/16/21 (44 Weeks)	Estimate of 2020 Fraudulent UI Claims in Kansas	Average Weekly Benefit Amount (44 Weeks)	Estimated Fraudulent Regular KS UI Benefit Payment Cost (44 Weeks)
1,119,700	1,060,793	73.14%	775,880	\$356.51
				\$276,609,073

KS UI Fraud Payments - Estimate 2:				
1/21/21 KDOL Fraud Claims Estimate (44 Weeks)	Less the KDOL est. 250,000 fraud claims (44 Weeks)	Estimate of 2020 Fraudulent UI Claims in Kansas	Average Weekly Benefit Amount (44 Weeks)	Estimated Fraudulent Regular KS UI Benefit Payment Cost (44 Weeks)
250,000	810,793	73.14%	593,026	\$356.51
				\$211,419,853

KS UI Fraud Payments - Estimate 3:				
KS Regular Claims from 3/21/20-1/16/21 (44 Weeks)	Estimate 36.57% (fraud estimate halved) of KS Regular Claims	Maximum Weekly Benefit Amounts (\$10M difference thru 44 wks)	Maximum Weekly Benefit Amount (44 Weeks)	Estimated Improper Regular KS UI Benefit Payment Cost (44 Weeks)
1,060,793	387,940	\$488 < 7/31/20 \$503 > 8/1/20	\$503.00	
				\$195,133,886

KS UI Improper Payments - Estimate 1:				
Total # Wks Compensated from 3/21/20-1/16/21 (44 Wks)	Improper Payment Rate	14.21% of Total # Wks Compensated	Average Weekly Benefit Amount (44 Weeks)	Estimated Improper Regular KS UI Benefit Payment Cost (44 Weeks)
2,909,905	14.21%	413,498	\$356.51	
				\$147,415,994

KS UI Improper Payments - Estimate 2:					
UI Payment Accuracy by State 7/1/17 - 6/30/20 (primarily pre-pandemic)	State	Improper Payment Rate	Rank	Total Regular KS UI Benefits paid from 3/21/20-1/16/21 (44 Weeks)	Estimated Improper Regular KS UI Benefit Payment Cost (44 Weeks)
https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy	Kansas	14.21%	10th Highest	\$988,193,408	\$140,422,283

Average KS UI Fraud Estimates:	Average Improper Payments Averages:	Avg. Fraud + Improper Payments Combined:
\$227,720,937	\$143,919,139	\$371,640,076

Kansas Unemployment Insurance: Pandemic Summaries

Week Ending	12/26/2020	1/2/2021	1/9/2021	1/16/2021	Full Totals & Averages Since WE 3/21 (44 Weeks)		Four (4) Week Average 12/26/2020 — 1/16/2021	
					Totals	Weekly Averages	4 Wk Totals	4 Wk Avg.
1 Kansas Trust Fund Balance	\$ 375,300,000	\$ 338,700,000	\$ 302,200,000	\$ 273,300,000				
2 # Weeks Trust Fund to ZERO - KS Only benefits (KS Only - UI)	12.11	9.76	7.31	6.13				
3 # Years Trust Fund to ZERO - KS Only benefits (KS Only - UI)	0.23	0.19	0.14	0.12				
4 Projected Date of KS Trust Fund Bankruptcy	3/20/2021	3/11/2021	3/1/2021	2/27/2021				
5 Regular Claims								
6 Initial Claims	30,074	45,743	69,404	76,513	1,060,793	24,109	221,734	55,434
7 Call Center	618	1,009	1,537	1,167	136,428	3,101	4,331	1,083
8 Internet	29,456	44,734	67,867	75,346	924,364	21,008	217,403	54,351
9 Internet %	97.95%	97.79%	97.79%	98.47%	87.14%	87.14%	98.05%	98.05%
10 Continued Claims	85,172	92,961	103,909	102,561	3,257,176	74,027	384,603	96,151
11 Total Payments Summary	\$ 38,471,191	\$ 43,050,837	\$ 43,105,488	\$ 45,875,429	\$ 2,683,807,889	\$ 60,995,634	\$ 170,502,945	\$ 42,625,736
12 Regular Unemployment Insurance (KS Only - UI)	\$ 30,984,021	\$ 34,716,769	\$ 41,323,096	\$ 44,570,345	\$ 1,032,763,753	\$ 23,471,903	\$ 151,594,231	\$ 37,898,558
13 Fed Pandemic Unemployment Comp (FPUC)	\$ 554,292	\$ 463,431	\$ 468,465	\$ 393,411	\$ 1,221,757,733	\$ 31,327,121	\$ 1,879,599	\$ 469,900
14 Pandemic Unemployment Assistance (PUA)	\$ 1,154,186	\$ 945,198	\$ 613,613	\$ 396,788	\$ 186,275,916	\$ 5,478,703	\$ 3,109,785	\$ 777,446
15 Pandemic Emergency Unemployment Comp (PEUC)	\$ 5,475,620	\$ 5,065,189	\$ 522,261	\$ 355,432	\$ 113,655,328	\$ 3,444,101	\$ 11,418,502	\$ 2,854,626
16 State Extended Benefits (EB)	\$ 234,372	\$ 123,452	\$ 78,004	\$ 65,083	\$ 11,738,892	\$ 469,556	\$ 500,911	\$ 125,228
17 Lost Wages Assistance (LWA)	\$ 68,700	\$ 1,736,798	\$ 100,049	\$ 94,370	\$ 117,616,267	\$ 7,841,084	\$ 1,999,917	\$ 499,979
18 Regular Unemployment Insurance (KS Only - UI)								
19 # Weeks Compensated	73,816	81,888	96,336	103,325	2,909,905	66,134	355,365	88,841
20 Final Payments	998	980	1,119	926	55,706	1,266	4,023	1,006
21 Individuals Receiving Payments	66,142	71,525	82,089	91,377	2,521,981	57,318	311,133	77,783
22 Average Weekly Benefit Amount	\$ 419.75	\$ 423.95	\$ 428.95	\$ 431.36	\$ 15,686.59	\$ 356.51	\$ 1,704.01	\$ 426.00
23 Pandemic Unemployment Assistance (PUA)								
24 Initial Claims	3,509	2,625	6,951	7,574	200,847	7,725	20,659	5,165
25 Continued Claims	15,442	20,812	31,124	37,822	2,865,276	110,203	105,200	26,300
26 # Weeks Compensated	4,130	4,200	2,689	1,397	687,178	20,211	12,416	3,104
27 Pandemic Emergency Unemployment Comp (PEUC)								
28 Initial Claims	925	765	14	22	39,708	1,527	1,726	432
29 Continued Claims	16,168	13,874	867	766	316,415	12,170	31,675	7,919
30 # Weeks Compensated	16,697	14,047	1,216	995	328,339	12,628	32,955	8,239
31 State Extended Benefits (EB)								
32 Initial Claims	214	40	14	10	9,865	411	278	70
33 Continued Claims	253	158	159	158	24,271	1,011	728	182
34 # Weeks Compensated	701	270	238	199	39,786	1,658	1,408	352

Key Takeaways & Observations

1) 9/17/20: KS SHRM - KS UI Trust Fund Projection

In testimony to KS Special Committee on Economic Recovery - projected KS UI Trust Fund bankruptcy on 3/5/21

2) 11/16/20 - KS SHRM - KS UI Trust Fund Projection

KS UI Trust Fund will be bankrupt on 7/12/21

KS Regular benefit levels:

- 1) Q3 Employer Contributions were due by 10/31/21
- 2) Noticeable uptick in Mid-October and again in Mid-November
- 3) HUGE spike beginning early to mid-December
- 4) EXPLOSION beginning early January

3) 1/18/21: KS SHRM - KS UI Trust Fund Projection

KS UI Trust Fund will be bankrupt on 2/27/21

Kansas Unemployment Insurance Trust Fund Projections

2020 Pandemic Benefit Levels throughout 2021

4/30/21 Outlook (Q1 Contributions Date)		Impact through 4/30/21 Using Most Recent Four (4) Week Average			
1	Average # of Continued Claims		96,151		
2	Average Weekly Benefit Amount	\$	426.00		
3	# of Weeks for Projections	14.86			
4	Projected Regular Kansas Benefits through Projected Period	\$	608,555,403.89		
5	Projected Contributions through Projected Period	\$	158,033,916.78		
6	Projected KS UI Trust Fund at Projected Outlook Date	\$	(177,221,487.10)		
7/31/21 Outlook (Q2 Contributions Date)		Impact through 7/31/21 Using Most Recent Four (4) Week Average			
7	Average # of Continued Claims		96,151		
8	Average Weekly Benefit Amount	\$	426.00		
9	# of Weeks for Projections	28.00			
10	Projected Regular Kansas Benefits through Projected Period	\$	1,146,892,876.55		
11	Projected Contributions through Projected Period	\$	267,175,567.82		
12	Projected KS UI Trust Fund at Projected Outlook Date	\$	(606,417,308.73)		
12/31/21 Outlook - January 1 Threshold for Interest Free Borrowing		Impact thru 12/31/21 Using Data Since WE 3/21 (44 Weeks)		Impact thru 12/31/21 Using Most Recent Four (4) Week Average	
13	Average # of Continued Claims		74,027		96,151
14	Average Weekly Benefit Amount	\$	356.51	\$	426.00
15	# of Weeks for Projections Projection Date	49.86		49.86	
16	Projected Regular Kansas Benefits through Projected Period	\$	1,315,805,827.92	\$	2,042,171,499.58
17	Projected Contributions through Projected Period	\$	425,359,949.27	\$	425,359,949.27
18	Projected KS UI Trust Fund at Projected Outlook Date	\$	(1,042,505,827.92)	\$	(1,768,871,499.58)

If Kansas is borrowing on January 1, 2022, we will have until November 10, 2023 to pay back 100% or begin to lose FUTA credit reductions.

Kansas Unemployment Insurance Trust Fund Projections

2020 Pandemic Benefit Levels through 4/30/21; Decreasing Levels Beginning 5/1/21

4/30/21 Outlook (Q1 Contributions Date)		Impact through 4/30/21 Using	
2		Reduced Level I (01/01/21 - 04/30/21)	
3	Average # of Continued Claims		96,151
4	Average Weekly Benefit Amount	\$	426.00
5	# of Weeks for Projections	14.86	
6	Projected Regular Kansas Benefits 01/01/21 - 04/30/21	\$	773,130,578.10
7	Projected Contributions through Projected Period	\$	158,033,916.78
8	Projected KS UI Trust Fund at Projected Outlook Date	\$	(341,796,661.32)
7/31/21 Outlook (Q2 Contributions Date)		Impact through 7/31/21 Using	
10		Reduced Level II (05/01/21 - 07/31/21)	
11	Average # of Continued Claims		96,151
12	Average Weekly Benefit Amount	\$	426.00
13	# of Weeks for Projections	28.00	
14	Projected Regular Kansas Benefits 01/01/21 - 04/30/21	\$	773,130,578.10
15	Projected Regular Kansas Benefits 05/01/21 - 07/31/21	\$	443,413,125.68
16	Projected Contributions through Projected Period	\$	267,175,567.82
17	Projected KS UI Trust Fund at Projected Outlook Date	\$	(676,068,135.95)
12/31/21 Outlook - January 1 Threshold for Interest Free Borrowing		Impact through 12/31/21 Using	
19		Reduced Level III (08/01/21 - 12/31/21)	
20	Average # of Continued Claims		96,151
21	Average Weekly Benefit Amount	\$	426.00
22	# of Weeks for Projections Projection Date	49.86	
23	Projected Regular Kansas Benefits 01/01/21 - 04/30/21	\$	773,130,578.10
24	Projected Regular Kansas Benefits 05/01/21 - 07/31/21	\$	443,413,125.68
25	Projected Regular Kansas Benefits 08/01/21 - 12/31/21	\$	555,484,575.02
26	Projected Contributions through Projected Period	\$	425,359,949.27
27	Projected KS UI Trust Fund at Projected Outlook Date	\$	(1,073,368,329.52)

Incremental Benefit Level Reduction Variable:	Estimated/Projected Claim Benefits Paid			
	1	1.2	0.75	0.75
	thru 12/31/20	01/01/21 - 04/30/21	05/1/21 - 07/31/21	08/01/21 - 12/30/21
		17.00	13.00	21.71
	\$ 37,898,557.75	\$ 45,478,269.30	\$ 34,108,701.98	\$ 25,581,526.48
		\$ 773,130,578.10	\$ 443,413,125.68	\$ 555,484,575.02

If Kansas is borrowing on January 1, 2022, we will have until November 10, 2023 to pay back 100% or begin to lose FUTA credit reductions.

COVID-19: Title XII Advance Activities State UI Borrowing



State	Outstanding Advance Balance	Advance Authorization Current Month	Gross Advance Draws Current Month	Interest Accrued for FY2020*
California	18,541,904,460.98	2,600,000,000.00	828,000,000.00	0.00
Colorado	814,226,708.97	500,000,000.00	64,806,153.89	0.00
Connecticut	563,066,179.47	150,000,000.00	57,084,514.82	0.00
Georgia	8,500,000.00	350,000,000.00	8,500,000.00	0.00
Hawaii	704,619,936.54	230,065,000.00	18,527,067.00	0.00
Illinois	3,553,351,928.00	515,000,000.00	239,017,642.29	0.00
Indiana	0.00	120,000,000.00	0.00	0.00
Kentucky	505,745,328.46	350,000,000.00	0.00	0.00
Louisiana	133,460,334.29	100,000,000.00	0.00	0.00
Maryland	0.00	150,000,000.00	0.00	0.00
Massachusetts	2,211,979,492.75	360,000,000.00	10,757,748.49	0.00
Minnesota	1,083,793,000.80	400,000,000.00	125,434,391.16	0.00
Nevada	133,531,979.03	82,080,000.00	71,583,039.94	0.00
New Jersey	869,980,480.50	500,000,000.00	169,230,500.00	0.00
New Mexico	206,197,930.83	100,000,000.00	0.00	0.00
New York	9,515,659,724.68	1,500,000,000.00	284,007,589.95	0.00
Ohio	1,413,708,398.77	450,000,000.00	88,974,000.00	0.00
Pennsylvania	1,022,576,617.60	700,000,000.00	201,046,642.54	0.00
Texas	6,281,688,848.82	900,000,000.00	279,190,605.71	0.00
Virgin Islands	87,987,203.20	6,000,000.00	2,983,679.49	0.00
Virginia	0.00	85,000,000.00	0.00	0.00
West Virginia	153,345,730.50	125,000,000.00	21,230,463.24	0.00
Totals	47,805,324,284.19	10,273,145,000.00	2,470,374,038.52	0.00

As of January 20, 2021

- 22 States borrowing
- +\$7.4B in 10 weeks (11/10/20 – 1/20/21)
- Interest Rate: 2.27770000%

As of November 11, 2020

- 22 States borrowing
- +\$21.2B in 14 weeks (8/4/20 – 11/9/20)
- Interest Rate: 2.40870090%

As of August 3, 2020

- 19 States borrowing
- \$19.1B in first 20 weeks (3/16/20 – 8/3/20)

*Section 1202(b)(10)(A) of the Social Security Act as amended by Section 4103 of PL 116-127 deferred the accrual of interest on state advances until March 14, 2021.

**Black Numbers with a Orange Background means state is within 15% of monthly limit.

Great Recession: Title XII Advance Activities State Borrowing

Table A.1. Title XII advances to Unemployment Trust Fund (UTF) accounts and interest waived due to the ARRA provision



	Total dollar amount	States in which total dollar amount is greater than zero	
		Number of states	Average percentage of 2007 contributions
Average monthly Title XII loans balances during the fourth quarter			
2008	0.6 billion	3	27.5%
2009	23.0 billion	26	94.4%
2010	40.9 billion	33	149.3%
Interest waived on Title XII loan balances held over the year			
2009	0.5 billion	26	2.2%
2010	1.7 billion	34	6.0%
2009 and 2010	2.2 billion	34	8.0%

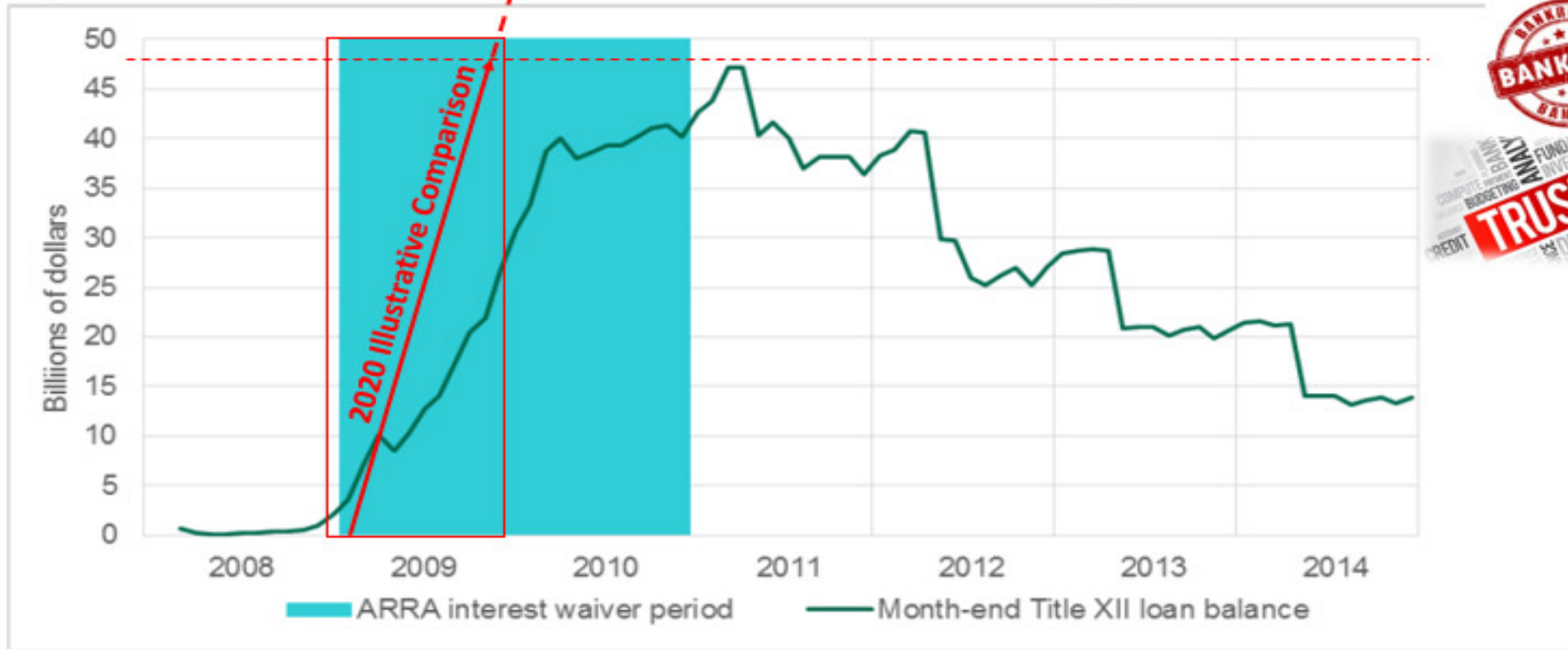
COVID Shutdown Impact
3/16/20 – 1/20/21
Through 44 Weeks:

- 22 States borrowing
- \$47.8 Billion & increasing

Source: https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/ARRA_UC_Rept_Addtl_Benefits_GR.pdf

Great Recession: Title XII Advance Activities State Borrowing

Figure A.1. Total month-end balances on Title XII loans, nationwide



Source: https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/ARRA_UC_Rept_Addtl_Benefits_GR.pdf

UI Trust Fund Contributions w/ CARES Act Dollars

as of 11/11/20

20 States Total – North Dakota was first state to act on May 12, 2020

Alabama	\$300M
Arizona	\$400
Arkansas	\$165M
Delaware – New Castle County	\$67.5M
Georgia	\$1.5 BILLION
Indiana	Exploring UI Trust Fund allocation
Iowa	\$490M
Kentucky	Committed to significant amt of CARES Act \$ to UI Trust Fund by Year End
Maine	\$295M
Mississippi	\$181.8M
Montana	\$200M
Nebraska	\$427M
New Hampshire	\$50M
North Dakota	\$410M
Oklahoma	\$100M
South Carolina	\$920M
South Dakota	\$45.6M
Tennessee	Committed to significant amt of CARES Act \$ to UI Trust Fund by Year End
West Virginia	\$687M
Wyoming	\$25M
	\$6.26B+

*Grey = Title VII Advances



KS SHRM & The KS Business Community:

- Submitted letter to The KS SPARK Committee on 8/26/20
- Requested **\$300M** for KS UI Trust Fund
 - To offset fraud & projected increased SUTA rates
- Result = No dollars were or have been allocated