

27 March 2007

Hon. Karin Brownlee  
Kansas State Senate  
Capitol Bldg 121-E  
Topeka, KS 66612

Hon. Nick Jordan  
Kansas State Senate  
Capitol Bldg 221-E  
Topeka, KS 66612

Hon. Jim Barone  
Kansas State Senate  
Capitol Bldg 181-E  
Topeka KS 66612

Re: Response to Question regarding Cost of Automatic Registration of UI Claimant  
with Public Workforce Centers

Dear Senators:

Earlier this session while appearing before the Senate Commerce Committee, I was asked to compile information to respond to the following question: How much would it cost for the Kansas Department of Labor to implement automatic registration of UI claimants with the public workforce system at the Department of Commerce.

I must say that I have learned a number of surprising things as my staff went about compiling a response to this inquiry. Apparently, the Department of Labor currently sends data on every UI claimant to Commerce. It could be argued that we are technically complying with the requirement that resulted in the technical error rate.

That data is housed in a repository at commerce until it is needed to complete the registration of a UI claimant identified as needing services through our profiling model. If the UI claimant is never picked for profiling then the information is never used. I was surprised that this was never discovered by the auditors during their review of this issue.

Nevertheless, it is my understanding that the information we already provide to commerce can be used to create a registration for the claimant automatically. Attached is a rough estimate of costs for pursuing automatic registration. I stress the caveat that these are quickly put together estimates and the cost could change if the option is pursued.

I hope this information is helpful and responsive to the Committee's inquiry.

Very truly yours,



Jim Garner

Cc: Members of the Senate Commerce Committee

Senate Commerce Committee

April 3, 2007

Attachment 2-1

### **Integrated registration with automatic job matching – full fledged automation**

When an applicant files their claim for unemployment, the userid and password for Commerce's Job Link web site would be automatically created in real time and given to the claimant. If an account already exists, then it is linked to the claimant.

To better meet the requirements of registration with the public workforce center, KDOL would need to capture additional information regarding the recent occupation of the claimant. This information would be fed into the O\*NET "Autocoder" for assignment of an O\*NET Standard Occupation Code (SOC) that matches job classification. To access this software, it would cost the agency an estimated \$250,000 to implement.

With the occupational title assigned to the claimant, it would then be possible for the Commerce Job Link system to perform job matching with their database of job orders. This information could then be routed back to the claimant via the UI weekly claims web site so that when the claimant would file their claim they would be presented with a list of any jobs for them to investigate.

Additionally the information could be made available to people filing weekly claims by phone in the IVR system. The system could read them a list of job orders and contact information for each order.

Our current mainframe operation and business processes would not make this feasible with out extensive modifications that would run in excess of \$1,000,000. If this option were to be pursued, it would be best integrated as part of the agency's Unemployment Modernization Project. The estimated cost of providing full registration with occupational coding and job matching if done as part of the UIM project would be approximately \$400,000. In addition, providing job matching information to non-internet claimants would require about \$100,000 in IVR setup costs. There would also be some ongoing operational costs for printings, mailings, and phone charges.

### **Mailings**

The solution would require mailing additional information (account userid and password) to the claimant. The KDOL costs for sending one additional mailing to approximately 75,000 claimants would be

- About \$4,300 in additional printing costs
- About \$26,000 in mailing costs, depending on the bulk mailing rate.

There are also labor costs for the operation of printers and mailing equipment, but this could be absorbed as the work load would be spread out through out the year.