HOUSE BILL No. 2196

By Committee on Commerce, Labor and Economic Development

AN ACT concerning employment security; creating the unemployment compensation modernization and improvement council; providing for development of a new unemployment insurance information technology system; claimant tax information; website publication of trust fund data; maximum benefit period; charging of employer accounts for benefits paid; employer contribution rate determination and schedules; abolishing the employment security interest assessment fund; crediting employer accounts for fraudulent or erroneous payments; transferring moneys from the state general fund to the unemployment insurance trust fund for improper benefit payments; services performed by petroleum landmen; lessor employment unit employee leasing restrictions; relating to other unemployment trust fund provisions; shared work compensation program; amending K.S.A. 44-758 and K.S.A. 2020 Supp. 44-703, 44-704, 44-710, 44-710a, 44-710b and 44-757 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) (1) There is hereby created the unemployment compensation modernization and improvement council. The council shall consist of 11 members appointed as follows:

(A) Two members who, on account of their vocation, employment or affiliations, may be classed as representative of employers, to be selected by the workers compensation and employment security boards nominating committee established under K.S.A. 44-551, and amendments thereto, and appointed by the governor;

(B) Two members who, on account of their vocation, employment or affiliation, may be classed as representative of employees, to be selected by the workers compensation and employment security boards nominating committee and appointed by the governor;

(C) The chairpersons of the standing committees of the senate and the house of representatives to which legislation pertaining to the employment security law is customarily referred, appointed by the president of the senate and the speaker of the house of representatives, respectively;

(D) Two members of the senate appointed by the president of the senate, one of whom is a member of the majority party and one of whom is a member of the minority party;
the applicant, recipient or employer received.

(2) In the written strategic staffing plan required under paragraph (1)
(A), the secretary shall include an explanation of whether and in what
manner the secretary will utilize:
(A) Department employees who do not ordinarily perform services
related to unemployment compensation;
(B) employees employed by other state agencies; and
(C) employees provided by private entities.

(k) For purposes of subsection (j)(1)(A), the secretary of labor shall
develop the initial written strategic staffing plan not later than six months
after the first meeting of the council and provide such plan to the council,
the president of the senate, the speaker of the house of representatives and
the governor. The secretary shall review the plan at least once per year. If, after reviewing the plan, the secretary determines that the plan should be
revised, the secretary shall revise the plan. After each review of the plan as
provided under this subsection, the secretary shall provide the most recent
version of the plan to the council, the president of the senate, the speaker
of the house of representatives and the governor. The secretary shall post
the most recent version of the plan on a publicly accessible website
maintained by the secretary.

(l) The council may adopt rules and regulations as necessary to
implement the provisions of this section.

(m) This section shall be a part of and supplemental to the
employment security law.

New Sec. 2. (a) It is the intent of the legislature that, in order to
accomplish the mission of collecting state employment security taxes,
processing unemployment insurance benefit claims and paying benefits,
the department of labor's information technology system shall be
continually developed, customized, enhanced and upgraded. The purpose
of this section is to ensure the state's unemployment insurance program is
utilizing current technology and features to protect the sensitive data
required in the unemployment insurance benefit and tax systems relating
to program integrity, system efficiency and customer service experience.

(b) The legislature finds that, as a result of the vulnerabilities exposed
in the legacy unemployment insurance system by the COVID-19 pandemic
unemployment insurance crisis, a new system shall be fully designed,
implemented and administered by the department of labor not later than
December 31, 2022.

(c) The information technology system, technology and platform
shall include the following components, as defined by the unemployment
compensation modernization and improvement council established by
section 1, and amendments thereto, in consultation with the secretary:

(1) Component-centric architecture;
(2) configurability;
(3) results-driven customer empowerment;
(4) extensibility;
(5) reporting;
(6) adaptable and scalable platform;
(7) enterprise service bus;
(8) version control;
(9) change control;
(10) multi-speed information technology;
(11) data migration or data architecture; and
(12) legacy integration.
(d) The new system shall include the following features and benefits as defined by the unemployment compensation modernization and improvement council established by section 1, and amendments thereto, in consultation with the secretary:

(1) Benefit claims and payment management, including:
(A) claims management;
(B) eligibility and payment processes;
(C) monetary and non-monetary determinations;
(D) overpayment and collections management;
(E) fraud prevention; and
(F) accounting and auditing;
(2) integrated tax management functionality, including:
(A) account registration;
(B) tax and wage reports;
(C) adjustments and payments;
(D) delinquencies and collections; and
(E) tax audit assignments; and
(3) tax performance systems, including:
(A) comprehensive appeals filing and tracking;
(B) appeal filing and management;
(C) hearings and decisions;
(D) correspondence and notices;
(E) integrated workflow;
(F) self-service features; and
(G) federal reporting.

and by redesignating subsections accordingly

e) The Secretary shall implement and utilize all program integrity elements and guidance issued by the United States department of labor and the national association of state workforce agencies, including the integrity data hub, within 60 days of the issuance of such guidance. The Secretary shall implement and utilize the following specific program integrity elements:

(1) Social security administration cross-matching for the purpose of