

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Larry Alley at 9:30 am on Thursday, May 14, 2020, in room 346-S of the Capitol.

All members were present except:

Senator Julia Lynn – Excused  
Senator Mike Thompson – Excused

Substitute members:

Senator Mike Petersen, appointed substitute member to the committee  
Senator Caryn Tyson, appointed substitute member to the committee

Committee staff present:

Charles Reimer, Office of Revisor of Statutes  
Debbie Bartuccio, Committee Assistant  
Edward Penner, Legislative Research Department

Conferees appearing before the Committee:

Senate President Susan Wagle  
Luke Aichele, Private Citizen, McPherson, Kansas  
Landon Wall, Private Citizen, McPherson, Kansas  
Jacob Baker, Private Citizen, Wichita, Kansas  
Heath Harrington, Private Citizen, Cheney, Kansas  
Michael Hotchkiss, Jr., Private Citizen, Kingman, Kansas  
Andreas Vandever, Private Citizen, Herington, Kansas  
James Washington, Private Citizen, Basehor, Kansas  
Dale Long, Private Citizen, Olathe, Kansas  
Scott Schneider, Kansas Restaurant and Hospitality Association  
Secretary Delia Garcia, Kansas Department of Labor  
Deputy Secretary Brett Flachsbarth, Kansas Department of Labor  
Laurel Klein Searles, Unemployment Insurance Director, Kansas Department of Labor  
Eunice Peters, Deputy Chief Counsel, Kansas Department of Labor

Others in attendance:

[See Attached List](#)

Chairperson Alley welcomed those attending the meeting and announced representatives from Kansas Department of Labor (KDOL) would be participating via a conference call in order to reduce the risk of exposure to COVID-19. He requested Assistant Revisor Charles Reimer to read the Kansas Open Meetings Act (KOMA) statement. ([Attachment 1](#))

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**Presentation on:**

Chairperson Alley recognized Senate President Susan Wagle who provided testimony concerning the work she has been doing on behalf of the people of Kansas who have been unable to receive benefits from the Kansas unemployment compensation system. On April 13, she asked to hear stories from Kansans who were attempting to file for unemployment yet were locked out from the website and left on hold by the phone system. When she tried to deliver over 200 e-mails directly to KDOL, she found the doors locked and a sign posted on the door, instructing to call a phone number, which was not answered. She then delivered the e-mails directly to the Governor. While each story was unique, a recurring theme emerged: the website kept crashing, and when individuals tried to call the unemployment hotline, they were met with a robotic message, simply instructing them to call back in an hour. She noted a stack of over 1000 e-mails she has received and has forwarded to the Kansas Department of Labor. ([Attachment 2](#))

Senator Suellentrop inquired about the level of activity she found at the KDOL office. President Wagle responded the KDOL parking lot was empty and the phone was not answered. The next day, she found the parking lot at the call center location to be empty. She said she requested the Governor to open the phone lines seven days a week, twenty-four hours per day and indicated she believed extra staff had been employed but the hours had not been extended.

Senator Olson asked if the President's office had been receiving information from KDOL concerning the backlog issues. President Wagle responded there had been no such communication. Senator Olson referred back to problems that occurred with the unemployment system prior to the Brownback administration and how Secretary Brownlee had addressed them and provided communication to leadership about the situation. He indicated he has been receiving e-mails and phone calls similar to what President Wagle described and noted most of the people had not yet received the supplemental \$600 weekly payment. He expressed his disappointment the KDOL staff would not be attending the meeting in person. President Wagle said legislation had been passed to eliminate the one week waiting period to receive an unemployment payment, however, this appears to not be occurring. Because of the uncertainties, Kansans are feeling tremendous financial insecurity. One of the responsibilities of legislators is to see that the job gets done. Senator Olson responded this is a crisis and noted the KDOL needs to come up with a plan to resolve the situation. President Wagle said there are two financial crisis. One is the crisis with the unemployment system and the other is the financial insecurity with not knowing when people can go back to work. Small business employees are over 50% of the people out of work. Financial insecurity can lead to drug abuse, depression, alcoholism, and domestic violence. We have a pandemic situation that we are trying to respond to and we have learned we need to protect the elderly population. The rest of Kansans are tired of the financial insecurity and want to go back to work to get the economy rolling. Big businesses know they cannot sell their product until the small businesses go back to work. We will need to open up safely and businesses have said they can do this. Businesses want to protect the customer. The financial insecurity can be far more harmful than the COVID-19 crisis. It is time to allow businesses to go back to work.

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Senator Alley asked if Missouri was having the same types of issues making unemployment payments and President Wagle responded Missouri was not having these issues. She said KDOL needs to do whatever it takes to resolve the issues.

Senator Baumgardner indicated the Kansas Board of Regents (KBOR) offered to the Department of Administration to provide university employees to help with phone calls and with processing over a month ago and the KBOR was told KDOL was not ready to receive that assistance. President Wagle responded she was not aware of this offer. Senator Baumgardner said staff could have been made available on the phone with spreadsheets collecting data from Kansans with unemployment issues so they could be responded to.

Senator Holland asked Senator Wagle whether she knew how many unemployment claims were being handled per week prior to the pandemic. President Wagle responded in the last few years there were very few because the economy had been rolling and people were financially secure before the pandemic hit. Senator Holland asked if President Wagle knew the number of calls being received weekly as a result of the pandemic. She acknowledged it was a higher number but said she could not recall the number. She said it was the obligation of KDOL to meet Kansans' needs whether we are in a pandemic or not. Senator Holland asked President Wagle if she knew how many unemployment claims were made during the last financial crisis last decade. She responded she was sure it was less than what is being experienced now. Senator Holland requested Legislative Research to obtain the information on unemployment claims during the noted periods of time. Senator Holland asked if President Wagle knew what type of technology is being used to process the claims and how old the technology was. She responded since \$57 million dollars was spent on the system through 2011, the system ought to be working and ought to be prepared and to blame other people just does not cut it when Kansans are not receiving their checks.

Senator Alley noted the Committee would be receiving information from KDOL concerning the IT infrastructure. Senator Holland said the point he was trying to make was that as elected legislators we have an ownership stake in this unemployment system. The technology is decades old and cannot handle the volume resulting from this pandemic. Through no one's fault, the situation has occurred. Now, we are struggling in how to address the onslaught of claims that is occurring. The current technology cannot handle it and we have to get through this crisis as best we can. It is time to look for solutions on how to move forward.

Senator Tyson noted President Wagle had offered a solution of having staff available more than eight hours per day.

Senator Olson expressed his concern the KDOL Secretary was not available in person to speak to KDOL's performance and suggested a post audit might be performed to review the claim handling process and look for ways to improve the agency. President Wagle responded an IT analysis might be appropriate. During a pandemic, we should certainly be able to staff the office with more employees to

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manage the claims. Senator Olson said other states are handling the problem and the Governor and KDOL owe an answer to Kansans on how the crisis will be resolved.

Senator Rucker asked President Wagle how she saw the Senate's roll in providing oversight to state agencies that are, in her opinion, deficient in their responsibilities to the people of the state of Kansas. President Wagle responded legislators answer to the public and have an obligation to bring the question to light, to bring it before the news media, to demand it gets fixed by the agency and to demand accountability. Financial insecurity can be a deep problem. We need information about how many people are working, how many claims are being processed every day, and how many claims could be processed if hours were extended. The quickest solution would seem to be to bring more personnel into the agency to process the claims, answer the phones and resolve problems. Down the road, the state may need to partner with the federal government to provide assistance with updating the computer system. Senator Rucker said before the Governor become Governor, she was a member of the Kansas Senate. The oversight responsibility of the Senate is as President Wagle has laid out. Legislators ask questions of those who run the state agencies and in response to the answers to those questions, policies, particularly rules and regulations, and laws are passed. It is very difficult to do this if there is no communication. He asked whether President Wagle had requested to meet with the Governor about the problem, and if so, what had been the response. President Wagle replied she had officially asked to meet with the Governor concerning the stay-at-home order, how it was affecting business and how we could plan to open up safely and did not receive a return call. She said her staff has been meeting with the Governor's staff concerning all these claims. Senator Rucker asked President Wagle, given her attempts to have open communication on these matters, when was she first told that the Secretary of Commerce and the Secretary of the Department of Labor would not be available to attend today's meeting in person. President Wagle responded she was not aware until arriving at the meeting that they would not be in attendance. Senator Rucker noted the it is very difficult to resolve issues when there is a lack of communication with the Governor. Without communication, we are handicapped to provide the people of the state of Kansas the service they require and they deserve.

Senator Sykes said she has also been receiving e-mails and calls and has been working to resolve them. She said she does not believe that Kansas government is using technology to the best of its ability. She said she also felt this way concerning the backlog issues with Kancare claims processing. She inquired whether President Wagle was aware of any automation issues with saturation in relation to the telephone line volume. President Wagle responded she was not aware of this issue and Senator Sykes replied she would address this question to KDOL's information technology staff. She noted the issue with the volume being processed by the mainframe technology and reported she has been successful in receiving responses from KDOL.

Senator Suellentrop said he believed KDOL received \$9.5 million to address the pandemic issue. In his opinion, there has been no common sense in changing the physical structure of the office in order to handle in-person claims processing to accommodate Kansans who do not have access to internet capabilities or otherwise need to physically come to the office. If the Secretary can show up to a press

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conference, she can show up at the KDOL facility with some of the staff to handle in-person communications.

Chairperson Alley recognized Luke Aichele, private citizen from McPherson, Kansas, who testified concerning the problems he has experienced since having to close his barber shop in McPherson, Kansas. He said when the idea of essential and non-essential employment was introduced, it created a division among people rather than influencing citizens to come together. When anyone has the responsibility to make a living to support themselves or their family, there is a clear argument that they should be deemed essential. He also described problems he had experienced when calling the unemployment system. ([Attachment 3](#))

Senator Alley asked Mr. Aichele to explain what types of protective measures he would be taking at his business when he returns to work. Mr. Aichele replied his barber shop was designed with the chairs being more than six feet apart. In addition, he has removed some waiting chairs, has removed all magazines, and was willing to wear personal protective equipment. He said it would have been better to be given guidelines in order to be able to stay open rather than being forced to shut down, lose income and then reopen.

Senator Suellentrop asked if Mr. Aichele had been subject to any fines or monetary penalties for opening his shop. He replied at this point he had not been. Senator Suellentrop asked Mr. Aichele to let the Committee know if he does become subject to any penalties or fines.

Senator Olson asked Mr. Aichele if he had qualified for any federal funding since he was a small business. Mr. Aichele responded he worked with his accountant but the options did not work out for his business.

Senator Olson suggested KDOL contact private organizations such as Security Benefit in Topeka, Kansas, to provide call center staff to assist with the backlog.

Senator Holland said he has listed information on his Facebook page with grant and assistance opportunities for self-employed businesses and offered his assistance to Mr. Aichele on any questions he may have concerning the information.

Senator Olson asked Landon Wall (one of the barbers in Mr. Aichele's business and a Marine veteran) to speak as to how a Marine would handle a problem situation. Mr. Wall responded he would do what is needed to be done to get the job done.

Mr. Aichele said he felt he had no other option but to reopen the shop and did contact local authorities to let them know why he was doing it.

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Chairperson Alley recognized Jacob Baker, private citizen from Wichita, Kansas, who testified he has been trying to get KDOL on the phone for over a month. He filed an initial claim for unemployment on December 7, 2019 and reviewed the problems he has encountered in applying for unemployment since the beginning of the pandemic issues. He has done everything in his power to find employment but has not been successful. ([Attachment 4](#))

Senator Tyson told Mr. Baker he was not alone in the situation and we need to work together to find solutions.

Senator Olson said Kansas is in a crisis situation and suggested the Governor involve leadership from all parties as well as resources from the private sector to resolve the issues.

Senator Petersen reviewed some of the pandemic timeline for benefits and expressed his appreciation to Mr. Baker for his comments.

Chairperson Alley recognized Heath Harrington, private citizen from Cheney, Kansas, who expressed frustrations with his experiences in attempting to receive information from KDOL concerning his application for unemployment. He noted numerous unsuccessful attempts to access the KDOL system as well as the inability to reach anyone by phone. When he contacted the Governor's office, someone took his information and promised to pass it along to KDOL. Weeks later, no follow-up had been received. ([Attachment 5](#))

Chairperson Alley recognized Michael Hotchkiss, Jr., private citizen from Kingman, Kansas, who reviewed the problems he has experienced with the KDOL system since his furlough with Cessna/Textron Aviation. He said the online system goes down regularly and he has been unable to reach anyone by phone. ([Attachment 6](#))

Senator Alley recognized Mr. Hotchkiss as a veteran and thanked him for his service.

Senator Tyson offered Mr. Hotchkiss her assistance.

Senator Olson thanked Mr. Hotchkiss for his service and said there was no reason for what has been going on. The crisis needs to be fixed. Mr. Hotchkiss responded if there was a way he could send an e-mail and receive a response to provide him with an update on his situation it would be helpful so he could make plans.

Senator Suellentrop suggested the Lt. Governor open up an office in Wichita to provide assistance to citizen having issues with the KDOL system.

Chairperson Alley recognized Andreas Vandever, private citizen from Herington Kansas, who reviewed

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his experiences with the KDOL system since his filing for unemployment on January 27, 2020. He attempted to call KDOL 14,000 times, always receiving a recording saying that all lines are busy and that he should call again in an hour and then the system would hang up. He tried to e-mail KDOL and the Governor's office and received no response. He did receive a response from Senator Wagle. ([Attachment 7](#))

Senator Olson thanked Mr. Vandever for his service and asked for his suggestions on resolving the problems. Mr. Vandever suggested he would remove the system from political control and move it to the private sector.

Senator Petersen noted the Legislature is comprised of private citizens some of whom have also lost their jobs during this pandemic. He shared his unsuccessful experiences with attempting to contact KDOL concerning his unemployment claim.

Senator Doll noted he had been able to successfully access KDOL when following up on issues for his constituents.

Responding to Senator Doll, Senator Tyson reported on many occasions she had not been able to get through to KDOL. We need to mitigate the issues and find solutions to get the job done.

Chairperson Alley recognized James Washington, private citizen from Basehor, KS, who expressed frustrations about his complete failure to break through to any level of service regarding his filing of claims for unemployment compensation. He had made 103 attempts to call the service center without success. ([Attachment 8](#))

Chairperson Alley recognized Dale Long, private citizen from Olathe, Kansas, who expressed his desperation and frustration over his inability to enter his claim information into the system and his failure to make contact with the Kansas Unemployment Contact Center. He suggested an e-mail address be established for constituents to send their issues which could then be addressed in the order the e-mails were received. He also suggested some interim steps for consideration to modify the computer system. ([Attachment 9](#))

Senator Olson expressed his appreciation for Mr. Long's suggestions. Unfortunately, Kansas was not prepared for this disaster.

Written only testimony was received from the following individuals and has been included as a single document. ([Attachment 10](#))

Annie Allen, Prairie Village, Kansas; Barbara Ruge; Chantell Schartz; Cherri Walrod, Eudora, Kansas; Colleen Holl; Don Hansen, Great Bend, Kansas; Gary Albers, Galena, Kansas; Izabella Borowiak-

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Miller, Lawrence, Kansas; Joy Schreckhise, Wichita, Kansas; Kelly Meigs, Shawnee, Kansas; Kevin Fishburn, Salina, Kansas; Laura Sanchez, Kansas City, Kansas; Linda Anderson; Lindsey Wright; Mindi Fisher; Nique Leonel; Peggy Hopkins, Kechi, Kansas; Tamara Joyce, Manhattan, Kansas; Jesse McGarth, Wichita, Kansas.

### **New Challenges for Restaurants and Suggestions:**

Chairperson Alley recognized Scott Schneider, Kansas Restaurant and Hospitality Association, who presented an industry update. Since March 1, the hospitality industry has lost \$325 million dollars in sales, 64,000 restaurant employees have been laid off or furloughed, and 38% of restaurants have closed at least temporarily. If the legislative body does nothing until next January, many businesses will close permanently. Most small restaurants had an average of 20 days cash reserves. Nearly 60% of customers do not expect to go to a restaurant within the next month at the earliest. Simply being open does not mean restaurants are able to break even. He provided an update on what has helped and hurt and offered suggestions for providing a way forward. ([Attachment 11](#)) ([Attachment 12](#))

### **What has helped?**

- The \$5 million dollar Hospitality Industry Relief Emergency (HIRE) fund.
- The Kansas Department of Agriculture guidance on reselling unprepared food.
- The April 22 Executive Order 20-27 allowing the selling of mixed drinks.
- The April 30 Executive Order 20-29 allowing 10 people within six feet or the addition of physical barriers.

### **What has hurt?**

- Standing down one half of food distribution in Kansas.
- Not quickly allowing for additional lines of commerce (growlers, mixed drinks).
- Not quickly addressing which expenses and taxes should be paid.
- Unstable government and small business uncertainty. Not knowing who has what authority and evaluating how to either risk a dollar or close the business.

### **What need to be done by the legislature?**

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- Eliminate the penalties and interest on property taxes until the emergency order ends.
- Eliminate pre-paid sales tax to avoid the same cliff if another government shutdown occurs.
- Allow for the selling of growlers, wine and mixed drinks to go.
- Limit legal liability for public facing entities complying with public health guidance.
- Secure the linked deposit loan program to create a long term financing tool for access to capital.
- Oppose the KDOL proposed rule of presumed workers compensation COVID-19 liability.

**What can you do?**

- Encourage confidence. Businesses will only regain their footing if customers have confidence it is safe to go back out in the public.
- Demand more balanced data. Government has a role to play in providing balanced and accurate information. For example, it is important to know how many new COVID-19 cases are in our community and also how many people have been released from the hospital and recovered. There is a need to have balance in our public message.

Senator Suellentrop asked Mr. Schneider to describe the pre-paid sales tax.

Senator Tyson noted the Senate Tax Committee had reviewed the fiscal note and agreed the issue needs to be addressed. She inquired if business owners were having problems re-hiring employees because the employees are making more money receiving unemployment than they would if they went back to work. Mr. Schneider confirmed businesses were experiencing this issue. In addition, some employees do not feel safe returning to work at this time.

Senator Baumgardner asked Mr. Schneider if he had a feel for what the impact has been on revenues since the Executive Order concerning growlers and mixed drinks. He responded he could not provide an estimate.

Senator Holland thanked Mr. Schneider for sharing the experiences of the industry and for bringing possible solutions. He agreed this is a crisis of confidence and requested Mr. Schneider to provide examples of best practices used by the industry as it works to address the confidence issue. Senator Holland asked Mr. Schneider for his opinion concerning employer liability issues. Mr. Schneider responded there needs to be a balance concerning liability. Various situations need to be considered and accommodated.

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Chairperson Alley recessed the meeting at 12:51 p.m.

**Presentation on:**

Chairperson Alley resumed the meeting at 2:02 p.m. and recognized Secretary Delia Garcia, Kansas Department of Labor, who provided testimony via conference call. She said she wished she could attend the meeting in person but was observing protocols for public safety. She addressed the private citizens who had testified earlier and said she and her staff share their every emotion and hear them. She noted the KDOL staff have been tele-working and social distancing in various buildings for public safety. She said she agreed with Senator Wagle of the importance for Kansans to be able to pay their utilities and to avoid eviction. She thanked legislators for their partnership in working with KDOL staff to address issues. She noted unemployment insurance claims are being processed on an antiquated system.

Secretary Garcia reported, according to the national April Labor Report, the national unemployment rate has increased 10.3 percentage points to 14.7%. This magnitude is on par with the Great Depression. However, the speed is immensely faster. It took the Great Depression 2.5 years to see the employment declines we are seeing in six weeks. Kansas joins states across the country as we grapple to confront these capacity challenges. Between March 15, and May 9, 2020, 236,413 total initial claims were received. Last week, there were 115,536 continued weekly claims, with 93,888 individuals receiving benefit payments. So far, payments have totaled \$320 million, including Federal Pandemic Unemployment Compensation (FPUC) of \$136 million. This amount will continue to increase as we begin to pay the retroactive additional \$600 payment. She thanked the Committee for supporting the emergency declaration in order for Kansas to accept these funds for our hard working Kansans to receive. KDOL will continue to receive updated guidance from the U.S. Department of Labor (USDOL) on a weekly basis and will need flexibility to continue working with the federal government.

Despite these unprecedented challenges, Secretary Garcia was thankful for the ingenuity and dedication of the KDOL staff, in combination with the swift actions and partnership of the Governor and State Legislature. The Legislature's initial action of extending unemployment benefit weeks and suspending the waiting week, in tandem with the Governor's actions, like the Emergency Declaration, have been crucial. These actions have allowed KDOL to receive vital federal funding and implement essential operations, like allowing the reassignment of staff from other agencies and divisions to assist with the immense volume of unemployment insurance claims.

When evaluating the status of the Unemployment Insurance (UI) system, it is important to understand the overall structure and the challenges presented. As has been discussed, the primary processing tool for the UI system is a legacy mainframe system. While reliable, mainframe systems do present challenges. Specifically, the ability to rapidly respond to numerous changes at once is extremely difficult. In the current crisis KDOL IT staff are tasked with implementing the removal of the waiting week, an extension of Kansas benefits to 26 weeks from 16 weeks, a federally funded increase in

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benefits of \$600 per week, an additional 13 weeks of federally funded benefits for certain qualifying claims, and creation of the entirely new system to provide benefits to self-employed and others not traditionally eligible for unemployment insurance benefits. These changes all utilize the same payment file, so the changes must work in concert with one another. This requires painstaking code review and testing. Further, the ability to utilize additional outside resources is limited due to unfamiliarity with the KDOL mainframe environment. Even for current programming staff, inherent challenges are presented due to code documentation issues that have occurred over a period of several years.

In addition to the mainframe, KDOL also utilizes an internet web environment and a Siebel case management functionality. These distinct environments are part of previous modernization efforts that have increased functionality in certain areas. However, they are not a comprehensive technology stack and have not been upgraded and maintained over time. The result is that our unemployment system is extremely vulnerable to the types of massive data that is currently hitting the system due to the ongoing public health and economic crisis. As technology changes around the mainframe, the code does not and is inflexible, meaning it takes more effort to put changes into production. Secretary Garcia said this is why modernization is so important. She invited the Legislature to work together with KDOL to be part of the solution to help our fellow Kansans by investing in modernizing Kansas and building a better system.

Secretary Garcia said the state needs to maintain compliance with the Families First Coronavirus Response Act (FFCRA) and extend the Kansas Legislature's previous actions on this. These federally mandated requirements must be passed in order to receive vital federal funding for Kansans.

On March 18, 2020, the President signed the FFCRA which makes emergency supplemental appropriations in response to the spread of COVID-19 and includes the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA). EUISAA sets out requirements for emergency administrative grants to states and provides: (1) emergency administrative grants to states; (2) emergency flexibilities to states relating to temporarily modifying certain aspects of their unemployment compensation (UC) laws; (3) a short-term waiver of Title XII interest payments due and interest accrual on Title XII advances to states; and (4) full federal funding, under certain circumstances, of extended benefits paid through December 31, 2020. On March 27, 2020, the President signed into law the coronavirus aid, relief, and economic security act (CARES Act), which provides states with additional flexibility in meeting the UC application requirements to receive Allotment I of the emergency administrative grants.

Eunice Peters, Deputy Chief Counsel, KDOL, said EO 20-17 allowed the state to meet these requirements to receive emergency administrative grants (Allotments I and II) under FFCRA. Many of these requirements involved waiving statutory requirements on a temporary basis. EO 20-28 extended EO 20-17; thus, the state's ability to meet these requirements will end on or before May 31, 2020. If the state does not continue to meet these requirements on or before September 15, 2020, it will not be eligible for Allotment II under FFCRA. One of these requirements (waiting week waiver) also allows

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the state to receive additional federal reimbursement funding under the CARES Act.

In anticipation of EO 20-17 expiring at the end of this month, KDOL is proposing the following legislation:

- Section 1 (State's commitment to UC system) - meets FFCRA Allotment II requirement. See page 1.
- Section 2 (waiving work search requirement) - meets FFCRA Allotment II requirement. See page 2.
- Section 2 (waiving the waiting week) - meets FFCRA Allotment II requirement and CARES Act federal reimbursement funding. See page 2.
- Section 3 (employer notification to employees) - meets FFCRA Allotment I requirement. See page 3.
- Section 4 (noncharging allowance for contributing and rated government employers) - meets FFCRA Allotment II requirement. See page 7.
- Section 4 (reimbursing employers) - specifies that the charge of payments will be reimbursed to employers under the CARES Act federal reimbursement funding process. Expands allowance to reimbursing employers by authorizing the state to provide additional relief to such payments. See page 13.
- Section 6 (Kansas register publication) - requesting earlier enactment into law since EO 20-17 expires on or before May 31, 2020. See page 17.

Certain contributing employers have also reached out for a waiver of the "negative account employer" requirement. This waiver would allow them to participate in the state's shared work unemployment insurance program. An employer may use Shared Work in lieu of a temporary or total layoff of employees as it allows for a partial workweek and partial unemployment benefit for employees. Contributing employers, which are the majority of Kansas employers and all private employers, are further required to not have a negative account. A negative account employer is one whose total benefits charged to the employer's account exceeds all contributions paid by the employer for all years. Under Section 2018 of the CARES Act, payments under Kansas' shared work UI program (e.g., UI payments) will be reimbursed by the federal government for weeks of unemployment beginning on or after March 27, 2020 to December 31, 2020. KDOL is proposing the following legislation to allow those employers to participate:

- Section 5 (shared work program) - in response to constituents' requests, but the state will also receive federal reimbursement under the CARES Act for payments made under this program. See page 15.

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Laurel Klein Searles, Unemployment Insurance Director, KDOL, provided an overview and update on the status of the new federal programs.

The CARES Act was signed into law on March 27, 2020. The law included a number of provisions on various topics, including: unemployment insurance such as Pandemic Unemployment Assistance (PUA); Emergency Unemployment Relief for Governmental Entities and Non-Profit Organizations; Federal Pandemic Unemployment Compensation (FPUC); Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment; Emergency State Staffing Flexibility; Pandemic Emergency Unemployment Compensation (PEUC); Temporary Financing of Short-Time Compensation (STC) Payments in States with STC Programs; and Grants for STC Programs.

Pandemic Unemployment Assistance (PUA) provides relief to those not traditionally eligible for unemployment compensation, such as contract labor, self-employed, and "gig" workers. A covered individual is eligible for weeks of unemployment caused by COVID-19 beginning January 27, 2020 and ending no later than December 31, 2020. Eligibility ends when the unemployment is no longer COVID-19 related. The amount payable under the program cannot be less than \$192 or more than \$488 in the state of Kansas. Payment of these benefits also include applicable "push up" dollars authorized by the Act.

Governor Kelly signed the agreement for Kansas to participate in PUA on March 28, 2020 and it was submitted to the United States Department of Labor (USDOL) on the same day. The KDOL UI, IT, and Legal teams have been working together to interpret the CARES Act and federal guidance from the USDOL in order to implement this new program. A phased approach is being utilized. Phase 1 involves creating a new system to be able to accept applications for those with no covered wages such as individuals that are fully self-employed and was completed on May 12, 2020. As of noon on May 13, 2020, KDOL had received 14,626 initial PUA claims and 29,557 weekly PUA claims. Phase 2 will allow our developers to process those applications and issue payments with payments being issued no later than May 25, 2020. Phase 3 will involve issuing payments to claimants that are eligible for partial UI payments and/or claimants that have exhausted UI benefits and will be completed no later than June 16, 2020.

Emergency Increase in Unemployment Compensation Benefits provides FPUC, which has also been referred to as a "push up" payment. A payment of \$600 is added to each week claimed by an individual in addition to their calculated weekly benefit amount. The benefit is payable for weeks after the necessary agreement is entered into, but ends no later than July 31, 2020. Governor Kelly signed the agreement for Kansas to participate in FPUC on March 28, 2020 and the agreement was submitted to USDOL on the same day. On April 22, 2020, FPUC payments began. Back payment of prior weeks began on May 6, 2020. Ms. Klein Searles acknowledged a snag was discovered on May 11, 2020 in which the FPUC and backlog payments were not issued to all claimants due to a cap on the amount of money which could be paid out in one day by the bank. KDOL is working to get the remainder of the payments paid out this week.

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Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week provides for 100% funding for states who do not have, or have waived, the traditional waiting week. The 100% funding includes actual benefit costs as well as administrative costs. Governor Kelly signed the agreement on March 28, 2020 and it was submitted to USDOL on the same day. KDOL continues to work toward compliance with the agreement. On March 31, 2020, Governor Kelly issued Executive Order 20-17 to waive the waiting week requirement for claims related to COVID-19. The mainframe programmers in our IT Team worked to write and deploy code that would waive the waiting week for claims related to COVID-19 with the first attempt at deployment made on March 26, 2020, however the attempt was not successful. After numerous attempts to fix the issues by the mainframe team with the assistance of the Unemployment Insurance staff, there are still claims in which the waiting period has not paid out. The mainframe team will continue to work with Unemployment Insurance staff to address this issue as our fiscal team will work to receive reimbursement from USDOL for the costs.

Senator Tyson asked for clarification on the availability of the waiver for payment of the first waiting week. Ms. Klein Searles said the Legislation that was passed in Kansas prior to the legislative break allowed for payment of the waiting week on completion of the third consecutive week of claiming unemployment, not a full waiver of the waiting week for all claimants. KDOL did check with USDOL and because there was a delay to the third week it was not in compliance with the federal requirements. Senator Tyson inquired where the specifications came for the bill that was passed by the Legislature. She said it was her understanding the bill included language which would meet federal requirements for funding. Ms. Klein Searles responded she believed the wording came from legislators initially in response to the aerospace crisis in Wichita. At the time that legislation was passed, the federal requirements in the CARES Act had not been put in place and the federal requirements were not available. Senator Tyson requested Legislative Research provide information as to where the language came from.

Senator Petersen said it was his understanding the guidance was not received until April 10, 2020. Ms. Klein Searles responded that was correct. Senator Tyson said she would address the question at a later time but believed the guidance was available prior to April 10, 2020.

Emergency State Staffing Flexibility lifts the usual merit staffing requirements that apply to unemployment insurance through December 31, 2020 in order to facilitate quick hiring and rehiring of staff. During the week of March 15, 2020, KDOL had just over 20 people working as intake representatives answering the phones for KDOL in the Unemployment Insurance Division. During the week of March 22, 2020, the staff level was doubled by bringing back staff that had previously worked in intake, but had been promoted internally. During the week of March 29, 2020, staff was brought in from other sections of the Unemployment Insurance Division to work in intake answering the phones, resulting in approximately 60 intake representatives. A triage contact center was created with the assistance of the Governor's Office, Department of Agriculture, and Department of Commerce. The triage contact center answers basic unemployment insurance questions, which leaves the KDOL intake

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staff for the more difficult questions that require access to our complicated system. With the addition of the triage contact center, the number of intake representatives grew to well over 100.

With the Department of Agriculture and Department of Commerce employees returning to their normal job duties on May 18, 2020, KDOL began moving away from the triage contact center model and focusing on more long-term solutions. It is imperative that the number of skilled intake staff be increased to meet the needs of the claimants and employers across the state. KDOL is working to hire consecutive small intake classes that can be trained while social distancing. On May 11, 2020, the first class of five began taking calls full-time, and the second class of seven began training. Interviews are being conducted for the next intake class.

Throughout the pandemic, KDOL has been heavily recruiting former employees and rearranging staff within KDOL to best respond to the crisis. There are currently 109 employees who fall into one of these categories. The Department continues to look for strategies to increase staffing throughout the Unemployment Insurance Division.

Pandemic Emergency Unemployment Compensation (PEUC) details the additional unemployment compensation benefits for those claimants who exhaust regular unemployment under state law. To be eligible, the individual must have exhausted all rights to unemployment compensation otherwise already available under state and federal law for their current benefit year. Eligibility for PEUC requires the individual to be able to work, available for work, and to actively seek work; however, that eligibility is determined under the same flexibility and guidance provided by the USDOL and is already in place due to COVID-19. PEUC is available upon the execution of an agreement through December 31, 2020. Governor Kelly signed the agreement to participate in PEUC on March 28, 2020 and it was submitted to USDOL on the same day. USDOL released guidance on PEUC through UIPL 17-20 on April 10, 2020. Unemployment Insurance staff at KDOL completed business requirements on April 13, 2020. The KDOL Information Technology (IT) team will begin taking action on this project this week. The team has not been able to focus efforts on this project prior to this week as it requires significant mainframe programming and the programmers have been focused on previously mentioned efforts.

Temporary Financing of STC Payments in States with STC Programs provides for 100% reimbursement to states for benefits paid under the State's STC program. Reimbursement may be made for up to a maximum of 26 times the weekly benefit amount. In Kansas, this program is referred to as Shared Work. An employer/business owner may use Shared Work in lieu of a temporary, total layoff of employees. It allows for a partial workweek and partial unemployment benefits for employees. It is not available for seasonal layoffs. Governor Kelly signed the agreement to participate on March 28, 2020 and it was submitted to USDOL on the same day. KDOL plans to seek reimbursement for weeks after the enactment of the Act through December 31, 2020, which is the maximum time period for which reimbursement may be sought under federal law.

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Grants for STC Programs provides for administrative grants to states to enact STC programs to promote and assist enrolling employers in existing STC programs. The total pool of grant funds available is \$100,000,000. The pool is subject to allocation as provided for under federal law. Kansas will seek these grant funds when available in order to promote the Shared Work Program.

Secretary Garcia shared an issue related to COVID-19 which the agency has been working on. KDOL submitted a regulation regarding protections for Kansas first responders and healthcare workers as they risk their lives battling COVID-19, even if they might not have healthcare or resources of their own. Kansas would join other states, including Missouri, to ensure the safety of our frontline workers so they know while they are risking their lives to take care of our fellow Kansans, we are taking care of them. This regulation was denied on the basis that it needs to be a legislative action, so KDOL was asking for legislative support as well. She said KDOL is exploring all options to serve our Kansas workers and would welcome legislative partnership on this essential endeavor.

Senator Holland said he wanted the Committee and the public to understand Governor Kelly ordered her administration to not appear face-to-face to testify but to testify virtually, which is why the KDOL staff were communicating via phone for this meeting. Second, Senator Holland shared information from Legislative Research showing the average cases handled by KDOL as 1,700 files per week prior to the pandemic. During the financial crisis during the period of 2008 to 2011, the average initial weekly claims were 4,900. During this pandemic, the average initial weekly claims filed were over 31,000.

Senator Givens said several of the school superintendents had contacted him and said the KDOL had announced that school bus drivers and para-educators would be eligible for unemployment this summer. He said he believed there is a Kansas statute which prohibits school bus drivers from receiving unemployment. Para-educators are given the opportunity to return to work so they usually do not receive unemployment benefits, due to their intent to return to work after the summer session. Senator Givens asked whether the announcement had been made and why this would be done for this group of employees who have been paid the entire time without doing their contracted work. Secretary Garcia responded she did not believe such an announcement had been made. Ms. Klein Searles confirmed KDOL had been receiving questions about whether bus drivers and the like would be receiving benefits over the summer. The question comes down to whether or not there is reasonable assurance of returning to work in the fall. KDOL has not made any announcement one way or the other about whether these individuals have received reasonable assurance. Reasonable assurance determinations are made on a case by case basis. The information is not correct. Secretary Garcia commented KDOL continues to receive guidance from the USDOL on a weekly basis so that could change in the future. KDOL needs the flexibility to adapt as changes are made with federal regulations.

Senator Sykes asked a question concerning call volumes and whether KDOL had any evidence showing persons using automated dialing to saturate the call volume system. Brett Flachsbarth, Deputy

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Secretary, KDOL, responded KDOL does not have anything that shows technology as a call driver. Every state is experiencing high call volume demand.

Senator Olson said he had received many calls from constituents describing how they had repeatedly tried to get into the system or had been bumped off of the system. He said he thought the biggest crisis in Kansas was a financial crisis because citizens cannot receive their unemployment compensation payments. He expressed his concern about people repeatedly trying to call in and they cannot get through. He asked what kind of message is that sending to Kansans? He said he did not think enough people had been put on the problem. He referred to the amount of money that had been spent on the computer system. Secretary Garcia responded there is a difference among states concerning their ability to handle the current unemployment volume and it relates to the level of modernization of their computer systems. KDOL's system needs to be modernized. On a positive note, she indicated call volumes have reduced from over a million calls per day to several hundred thousand calls per day. In addition, functionality has been added to the current online system and we encourage people to use the online web site system. Senator Olson said he did not think the Governor had taken the situation seriously enough. People have damaged their credit ratings and are struggling to make ends meet. Secretary Garcia responded she and the KDOL staff have been taking the situation very seriously and will continue to work to resolve the problems being encountered.

Senator Baumgardner referred to page 5 of the KDOL testimony which noted that private industry could potentially provide assistance in a lower-skilled virtual contact center that provided informational services without the knowledge and expertise to do actual work on claims. She asked whether KDOL had contracted with private industry for this purpose. She said the testimony received today has shown the absolute frustration because people cannot connect with anyone at KDOL concerning their claims. Brett Flachsbarth responded that is it important to describe the distinction between what types of services can be provided by a trained employee versus a private sector employee. There is a difference between being able to answer the phone and being trained to actually do the work. He said KDOL did use a front-end call center using state employees. Unfortunately, due to the complications of the unemployment law and the complications of our fractured system, it takes about four weeks to train a customer service representative. That period is before we put them on the phone while being monitored by supervisory staff to assure they are handling the job appropriately. We have had to try to incrementally increase the number of customer service representatives while doing it in a socially distant manner. Further, we only have so many trainers and floor supervisors that can be available to answers those questions from people who have recently received training. He said what they learned from their own initial stand-up call center was that the vast majority of people need services beyond informational services. They need actual issues resolved on their claims that have a wide range of problems.

Senator Baumgardner responded by introducing the medical term triage. She said her question addresses what KDOL is not doing concerning triage. She said her question was whether or not KDOL had hired low-skilled individual virtual contact center individuals from private industry. She said the

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problem is no one is providing triage. No one is providing that initial screening, that personal contact to that father of four who is unemployed and does not know how he is going to put food on the table, and all he wants is to talk to someone instead of getting a busy signal or a computer screen that won't respond to him. Callers want someone to answer the phone, take down their name and vital data and find out what their problem is. She asked if she understood that KDOL had not hired staff from private industry to just perform preliminary screening and find out what the problem is. Mr. Flaschbarth responded KDOL has not hired private individuals but did partner with Amazon in terms of using their technology for a virtual call center but it was staffed by public sector employees who were considered nonessential from other state agencies. He said what they found was a vast majority of the time the caller needed to talk with a trained representative. Senator Baumgardner said she understood this but said the first step is for someone to listen to the caller and take down that critical information so it can be directed to the avenue it needs. She said her second question had to do with people who are caught in this virtual cycle and are not able to move forward because now their password does not match their social security number or their date of birth. We hear about the number of claims that are being processed. How many of those claims are being kicked out because they did not respond quick enough and their information is lost out there in a black hole? Senator Baumgardner said it is not very efficient for Kansans to reach out to their Legislators who then reach out to KDOL with the hope of trying to help resolve an issue. Secretary Garcia agreed and responded the best metaphor she could use for the situation is that KDOL is trying to fix this plane while it is being flown in the air. She said this is not an excuse but rather the harsh reality of the situation and KDOL continues to do everything possible to address the issues. Secretary Garcia indicated KDOL would provide the follow-up metrics which Senator Baumgardner requested.

Senator Baumgardner next moved to claims adjudication and asked how many staff are dedicated to claim adjudication. Ms. Klein Searles responded on March 15, 2020 there were 16 people assigned to adjudication. There are now 38 staff members. Senator Baumgardner said it was her understanding that what individuals receive is an e-mail that tells them the department is understaffed and that processing may take eight to ten weeks. Ms. Klein Searles responded KDOL is advising eight to ten weeks as the maximum amount of time to resolve an issue. The actual time frame depends on the nature of the issue with some being completed within four weeks. She agreed eight to ten weeks is too long to wait and KDOL is looking into solutions to further reduce the amount of time. Senator Baumgardner asked how many claims are in adjudication. Ms. Klein Searles did not know and said she would provide the information. Senator Baumgardner said it would be beneficial to receive information on a weekly basis concerning the number of claims, the number of claims under adjudication, the number of claims paid out versus the number of claims that have been made. The phrase crisis of confidence was expressed in this Committee and there is a crisis of confidence. There is a sense that the state of Kansas through the action of the Legislature has received federal funding and that funding is sitting in the bank of Kansas and it is not getting out to where it is supposed to be, and that is to Kansas families. As long as that money is sitting there, it makes us wonder. Of course we are going to complete the legislation so additional funding comes in, but of what value is that additional funding coming from the federal government if it is not going to get out to Kansans. We need some

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assurance from today to next Thursday, when we meet as a Legislature. People want to know where is the money and what does it take to get the money because they have been hardworking residents of Kansas. We heard from the Restaurant Association, which makes up 10% of the work force in Kansas, that they have 64,000 employees that have been laid off or furloughed. Restaurants have lost an estimated \$325 million. Those employees will not go back to work if they do not have confidence as we move to the different phases. They need to know if they get furloughed again they are not going back into the black hole. KDOL needs to provide the Legislature with facts and documentation about how much money has gone out, what claims are outstanding, what claims are being adjudicated, and what steps are being made so there is communication to Kansans that are seeking help from the agency that was established - the Department of Labor. Secretary Garcia responded by providing the following statistics for the period March 15 through May 9: state unemployment paid - \$182,946,796; total FPUC - \$136,369,539; and 590,194 weekly claims. She said KDOL has been in constant contact with other states to review best practices.

Senator Sykes said when providing constituent information to KDOL she has been providing the person's phone number, address, last four digits of social security number and a description of the issue needing to be resolved and asked if the information was helpful to KDOL. Secretary Garcia responded the information is beneficial and they do have a team that follows up on these types of issues.

Senator Suellentrop asked how much federal money has KDOL received for the work being done by the Department. Mr. Flachsbarth responded \$9.5 million which would be used in a variety of areas such as overtime, payment to outside consultants, staffing and new technology. Senator Suellentrop asked why the Secretary would not update the KDOL office in Topeka with safety precautions such as plexiglass and personal protective equipment and have staff available so people could come to the office and hand deliver their claimant information. He suggested several offices throughout Kansas could be similarly established to handle in-person claims. He said Secretary Garcia's performance had been a real disappointment to him. He asked if she had attended any meetings at the Capitol during the pandemic. She replied affirmatively. Senator Suellentrop asked why the Governor would not allow the Secretary or KDOL staff to attend this meeting. Secretary Garcia said the reason was for public safety. The state is still in Phase 1 and they are honoring the protocol for Phase 1 while still sharing the information. She said she has participated in other meetings via Zoom and conference calls. KDOL staff are doing everything they can to assist Kansans during this health and economic pandemic. Senator Suellentrop said he hoped the Secretary's staff had the moral clarity of doing their job for the citizens and taxpayers of Kansas. He expressed his concern that the Governor would not allow KDOL staff to appear. He said it tells him loud and clear the level of importance that the Governor places on this issue. There is absolutely no justifiable reason for Secretary Garcia and some of KDOL management team for not being here today. He indicated he would not agree to pass anything out of Committee today without further clarification, particularly about the sections concerning rules and regulations to be adopted by the Secretary.

Senator Olson asked Secretary Garcia what he is supposed to tell someone who has called in repeatedly

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for a month, has filed their claim, were approved and then got kicked out? Secretary Garcia responded the best avenue for the person is to use the website due to the high volume of calls being received. Senator Olson asked if there was a way to send an e-mail. Secretary Garcia replied there is an e-mail system, however the website is the best contact method. Senator Olson noted the mental health issues being experienced by Kansans who have not been able to receive answers from KDOL on the status of their claim payments. Senator Olson asked Secretary Garcia when was the last time she was in the Capitol. She responded she had attended a press conference in the Capitol the prior day with less than 10 people who were following safety protocols using masks, etc. He said he felt the Governor was ignoring this crisis. Senator Olson had a question concerning the possible availability of unemployment benefits for school bus drivers. Secretary Garcia responded benefits would be paid to those individuals who are eligible for benefits. He asked if there was a plan to reduce the number of calls. Secretary Garcia responded KDOL continues to work on training staff and adding functionality to the system to increase capacity for handling call volumes. Senator Olson said he thought it would be good when the Legislature returns in 2021 to review KDOL processes to identify methods of improving customer response. He said he was not proud of the job being done by KDOL. Secretary Garcia invited Committee members to visit the KDOL Contact Center to see the work processes.

Chairperson Alley asked about the trust fund balance and Secretary Garcia said as of May 9, 2020, the balance was \$957.5 million. He requested information be provided in the next week concerning the spend down, how long the money in the Trust Fund is projected to last, and what is the trigger mechanism for when the federal government needs to become involved.

The following documents were received as testimony from KDOL:

- Testimony from Secretary Garcia ([Attachment 13](#))
- Unemployment Insurance Weekly Review ([Attachment 14](#))
- Unemployment in Kansas Chart ([Attachment 15](#))
- How to Apply for PUA Benefits ([Attachment 16](#))
- Pandemic Unemployment Assistance (PUA) ([Attachment 17](#))
- What do I need to apply for PUA? ([Attachment 18](#))
- Pandemic Emergency Unemployment Compensation (PEUC) ([Attachment 19](#))
- Adjudications ([Attachment 20](#))

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- Unemployment Appeals Process ([Attachment 21](#))
- Job Refusal ([Attachment 22](#))
- Rights and Resources for Kansans ([Attachment 23](#))
- Governor's Order to State Employees Providing Testimony ([Attachment 24](#))

The following documents were received from KDOL after the meeting in response to questions raised at the meeting.

- E-mail from Eunice Peters, KDOL, and Unemployment Program Letter No. 20-20 ([Attachment 25](#)) ([Attachment 26](#))
- Information from Eunice Peters, KDOL, Concerning Canada Exception ([Attachment 27](#))
- Adjudicated Suspenses by Week and Issue ([Attachment 28](#))
- Unadjudicated Suspenses by Week ([Attachment 29](#))
- Unadjudicated vs Adjudicated Percentage ([Attachment 30](#))
- KDOL Response to Questions from Senate Commerce Committee ([Attachment 31](#))
- KDOL Response Timeline ([Attachment 32](#))
- Unemployment in Kansas Through May 16, 2020 ([Attachment 33](#))
- Unemployment Insurance Weekly Review Through May 16, 2020 ([Attachment 34](#))
- Unemployment Insurance Modernization Progress ([Attachment 35](#))
- CITO Feasibility Study Report Process ([Attachment 36](#))
- Unemployment Benefits Paid Through May 16, 2020 ([Attachment 37](#))

**Presentation on:**

Brett Flaschbarth, Deputy Secretary, KDOL, provided a high level overview of the KDOL information technology system. Written comments were not provided. He said between 2003 and 2011, KDOL did embark on an unemployment insurance modernization project and many states took on modernization

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projects during this time period. Since that time, trying to modernize the unemployment system nationwide has been a topic of conversation with the United States Department of Labor across multiple administrations. Kansas is similar to many states in that while some of our previous modernization initiatives have been beneficial, the system is still fundamentally a mainframe based system instead of having a comprehensive technology stack.

Chairperson Alley said it is obvious the capacity of our technology system has been surpassed. He asked whether a strategic plan to upgrade the system was available. Mr. Flaschbarth referred to the gold standard for modernization across the country as a consortium of states that use federal dollars to band together on a common system based upon the system used by the state of Mississippi. He noted Missouri has modernized their system based on the Mississippi model. At this time, the strategic plan is to take the necessary steps to keep the system running to meet the high demand. He reviewed some of the steps that were taken to maintain the system. Another priority is to make sure the system can implement all of the federal programs. The next priority would be to find any way to utilize technology to try and obtain measures of efficiency while we are in the midst of this crisis. Any long-term system improvements of a larger scale will need to wait. Prior to the pandemic, KDOL was in the process of completing a feasibility study for a modernization project.

Senator Petersen asked whether a 3 year IT plan had been submitted to the Department of Administration. Mr. Flaschbarth responded affirmatively and said copies of the plan would be provided.

Senator Tyson had several questions. She asked who would be responsible for payment of the one week waiver claims since the bill passed by the Legislature did not meet federal requirements. Ms. Klein Searles responded the one week would be paid from the Unemployment Trust Fund, however, KDOL is hoping to work to receive federal reimbursement. Senator Tyson asked if it would not have been prudent to make the issue a priority so it could be addressed with legislation when the Legislature returns on May 21. Senator Tyson requested Legislative Research to provide a summary with the details needed to address the issue. She also requested financial information concerning the costs to the state and what the potential federal reimbursement would be. In follow-up to Senator Baumgardner's request for data, Senator Tyson requested the numbers be broken out by program.

Senator Tyson said what she has heard today is a question of priority. She asked Secretary Garcia to review when the specifications were received from the federal government regarding the CARES Act. Senator Tyson said she was trying to understand the logistics and determine mitigation methods for the future. She asked for an explanation of why Kansans were instructed to apply for the CARES program immediately when the system was not ready to accept claims. Mr. Flaschbarth explained the reasoning behind the request for the initial claim. She asked whether a new system was being developed to implement the CARES Act or was KDOL upgrading the current system? Mr. Flaschbarth responded it was a combination of both and provided an overview of the work that has been completed. Senator Tyson noted it was disappointing that Kansas was listed as one of the last states in which claimants

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would receive their checks.

Senator Tyson questioned the priority that was given to the implementation of the Spanish speaking website when the other website was not up and working. She said many Kansans would be concerned to know that a priority was given to a non-English website and requested information on how many hits were being received by both of the systems. She requested KDOL revisit its priorities and asked if consideration could be given to the suggestion that was made to take names via e-mail or phone call and address them in a first in, first out order. She also requested consideration be given to stretching the hours of the contact center. Secretary Garcia responded the hours had been extended and would continue to be evaluated. She requested information concerning why the requirement that individuals not be receiving compensation under the compensation law of Canada. Ms. Peters responded this is a federal requirement and would provide the documentation about the requirement.

Senator Tyson reiterated the number of calls and e-mails she has received from Kansans who are desperate to receive answers and payments. She questioned KDOL's planning and priorities and requested the department reevaluate its strategies. Working hard does not mean working smart.

**Economic Overview of COVID-19 Pandemic in Kansas**

Chairperson Alley referred Committee members to written only testimony received from David Soffer, Legislative and Policy Director, Kansas Department of Commerce, which provided an update concerning how the Department of Commerce has pivoted in response to the economic crisis created by the COVID-19 pandemic. ([Attachment 38](#))

**Possible action on:**

Chairperson Alley recognized Assistant Revisor Charles Reimer who provided a copy of the *Emergency Unemployment Insurance Stabilization and Access Act of 2020* ([Attachment 39](#)) and a proposed **Senate Substitute for HB 2154 (20rs3047) - Amending employment security law with respect to benefit eligibility, contribution rates, shared work program requirements and other matters to address COVID-19 and to comply with federal COVID-19 employment security law emergency administrative grant and reimbursement funding requirements.** ([Attachment 40](#))

Chairperson Alley recognized Ms. Klein Searles, KDOL, who provided an overview of the proposed **Senate Substitute for HB 2154.**

*Senator Petersen moved, seconded by Senator Olson, to remove the contents of **HB 2154 - Making unemployment benefits available for federal and state employees who are required to work without pay and replace the contents with Senate Substitute for HB 2154 (20rs3407).** The motion carried.*

Assistant Revisor Charles Reimer referred Committee members to a document amending wording on page 13 of the bill. ([Attachment 41](#))

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*Senator Petersen moved, seconded by Senator Olson, to amend **Senate Substitute for HB 2154 with the document provided by Assistant Revisor Reimer.** The motion carried.*

*Senator Petersen moved, seconded by Senator Doll, to pass **Senate Substitute for HB 2154 as amended.** The motion carried.*

Chairperson Alley thanked the Committee and staff for their work this legislative session. The meeting adjourned at 4:44 p.m.