

2013



ANNUAL REPORT

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Message from the Secretary

Greetings!

2013 was a year of promise and continuing improvement for the Kansas Department of Labor (KDOL). Kansas' public sector workforce is growing and unemployment is declining.

Some of the year's highlights, which are covered in greater detail in this report, include:

- The not seasonally adjusted unemployment rate decreased from 5.2 percent in December 2012 to 4.5 percent in December 2013.
- Kansas gained 10,100 private sector jobs and 10,000 nonfarm jobs, not seasonally adjusted, from December 2012 to 2013.
- Legislative changes resulted in significant increases in collection efforts and improved detection of improper unemployment insurance (UI) payments. HB 2105 authorized Asset Recovery to use administrative lien and levy powers in the pursuit of UI overpayments. This resulted in KDOL collecting \$4 million in just the first five months of FY 2014. Year-over-year collections were an 18 percent increase from the prior year.
- The Benefit Payment Control (BPC) and Special Investigations units are actively assisting local, state and federal agencies with investigations while continuing to investigate fraud within the Kansas UI system including fraudulent claims, identity theft and fictitious employers. Legal Services, BPC and Special Investigations also provide significant support to combat human trafficking.
- From Nov. 1 to Dec. 17, 2012, there were 220,953 calls offered to representatives at the KDOL Unemployment Contact Center. That number dropped to 73,225 for the same time period in 2013. Further, the Contact Center has seen an almost 12 percent improvement in the number of calls answered.
- The Safety and Health Achievement Recognition Program (SHARP) continues to grow in Kansas with 185 sites. This is an increase of 12 sites from 2012. Kansas has the greatest number of SHARP sites in the nation and the highest percentage of SHARP sites per workplace establishment in states under federal Occupational Safety and Health Administration (OSHA) jurisdiction.
- A total of 56,009 work injuries and illnesses were reported to and processed by the Division of Workers Compensation in 2013, a 4 percent decrease from 2012.
- Workers Compensation Administrative Law Judges and Unemployment Tax Auditors were relocated to new spaces in Lenexa and Wichita.



Additional information about the activities of the agency as well as many labor statistics can be found on our website at www.dol.ks.gov.

A handwritten signature in black ink that reads "Lana Gordon". The signature is written in a cursive, flowing style.

Lana Gordon
Secretary of Labor
January 2014

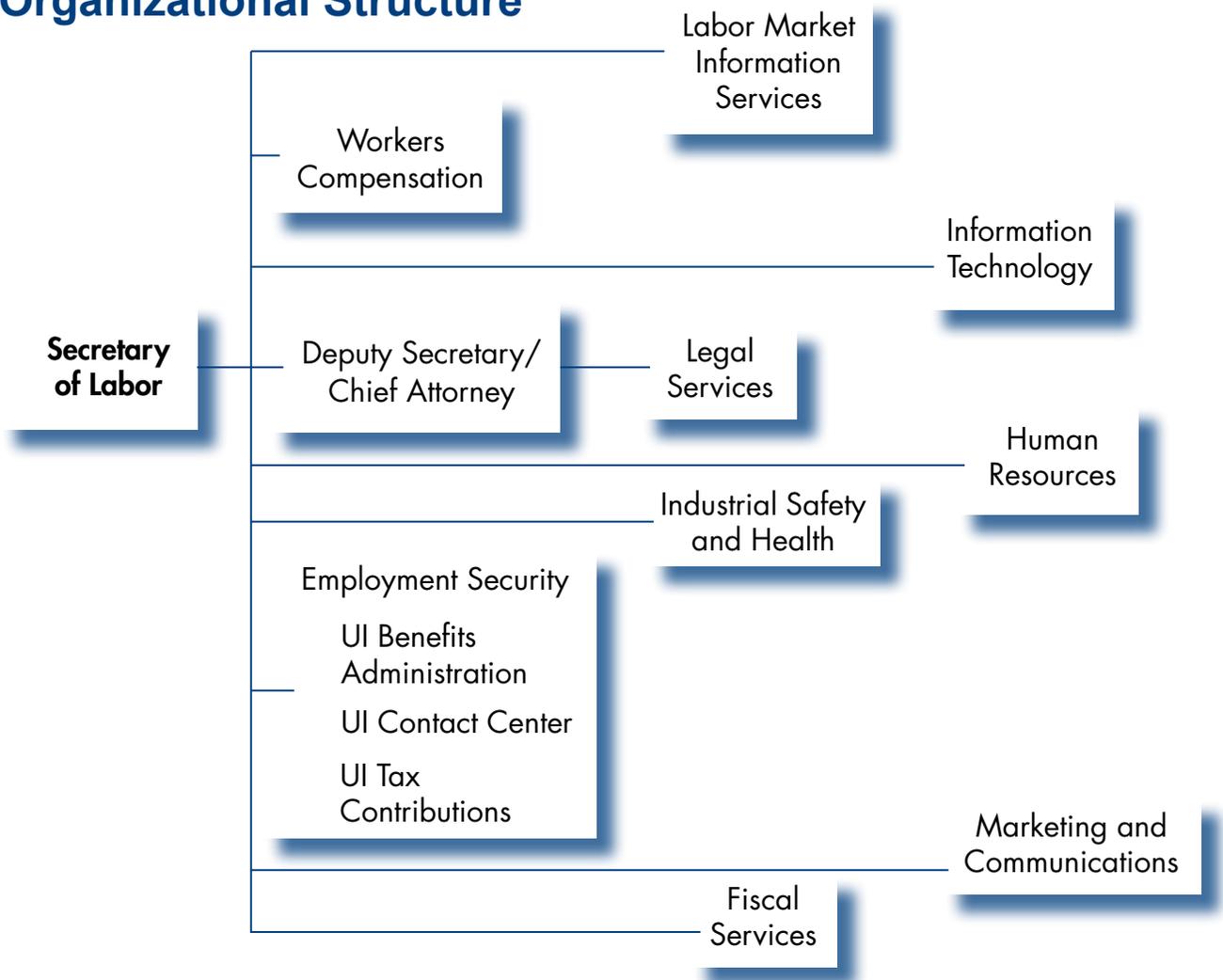
The Roles of the Kansas Department of Labor

The Kansas Department of Labor serves the people of Kansas in several ways, including:

- Administering the unemployment insurance program, processing benefit claims and collecting unemployment taxes.
- Overseeing the state’s workers compensation system.
- Offering free workplace safety consultations for private employers and overseeing job safety for public employees. This includes an inspection check list for all amusement park rides, at permanent or temporary locations.
- Administering Kansas employment laws, including child labor laws and the Wage Payment Act.
- Compiling data and performing research on the labor market, workforce and industries in Kansas.
- Overseeing the Public Employers and Employees Relations Act and Public Negotiations Act.

Our customers include more than 71,500 employers and 1.4 million workers in Kansas.

Organizational Structure



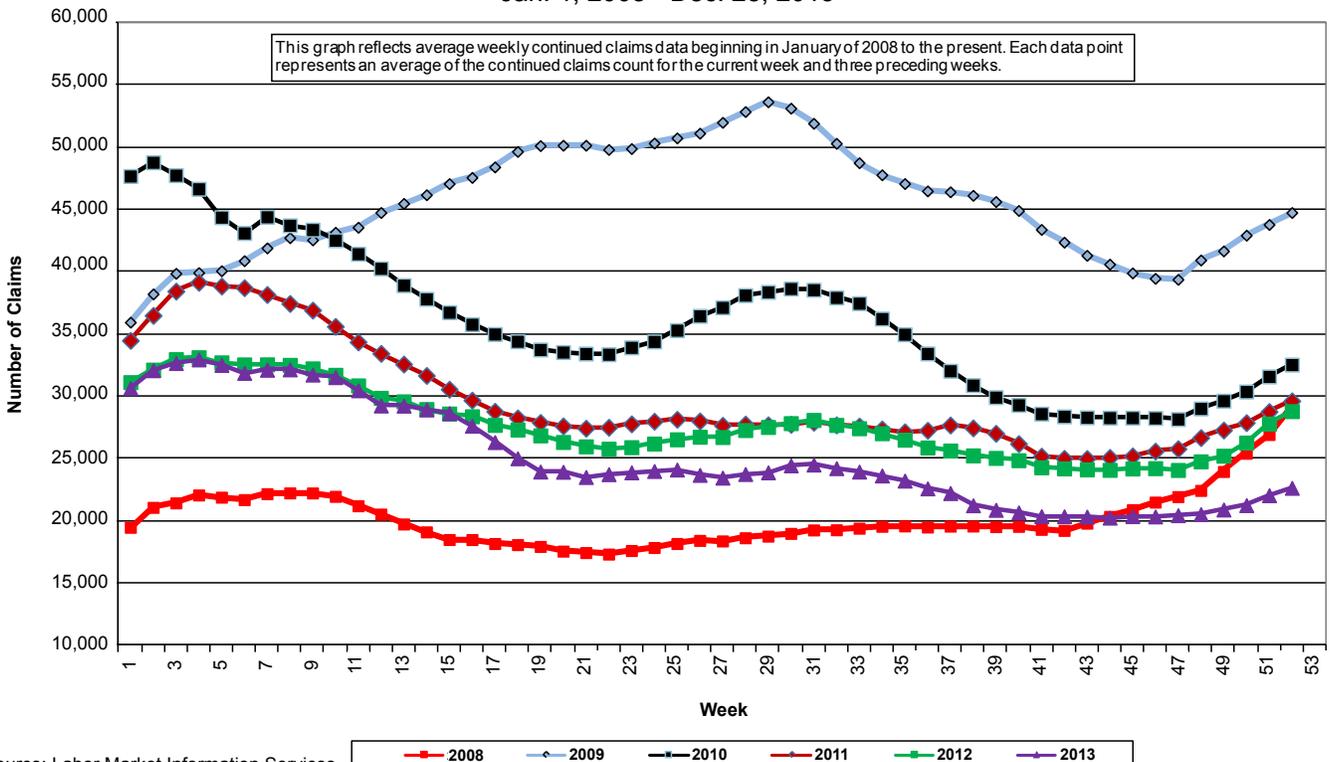
Unemployment Insurance Activities

A significant reduction in many of the Unemployment Insurance (UI) activities has continued in 2013. This was a result of Emergency Unemployment Compensation (EUC) Tiers II and III, as well as the Extended Benefit (EB) program all ending in Kansas during 2012. The table immediately below highlights key changes during the period January to December 2013 compared to 2012:

Kansas UI Key Highlights			
	2012 Jan-Dec	2013 Jan-Dec	Percent Change 2012-2013
Initial Claims	168,001	170,103	1.3%
Continued Claims	1,426,649	1,251,075	-12.3%
Contributions	\$417,434,023	\$415,041,321	-.06%
Benefit Payments	\$388,165,197	\$358,021,330	-7.8%
Average Duration (in weeks)	15.3	16.1	5.2%

Kansas UI Key Highlights Fiscal Year 2012 and 2013 comparison (July 1 to June 30)			
	FY 2012	FY 2013	Percent Change 2012-2013
Initial Claims	169,050	172,001	1.75%
Continued Claims	1,433,092	1,360,043	-5.10%
Contributions	\$426,216,290	\$414,092,338	-2.84%
Benefit Payments	\$393,300,681	\$382,998,374	-2.62%
Average Duration (in weeks)	15.3	15.7	2.60%

Weekly Continued Claims (4 week moving average)
Kansas
Jan. 1, 2008 - Dec. 28, 2013



Source: Labor Market Information Services

Several notable events took place concerning the Kansas Unemployment Insurance (UI) program during CY 2013. Unfortunately, much of the activity surrounding the Kansas program was the direct result of ongoing issues and budget uncertainty at the federal level. The UI program is based upon federal law, but administered by state employees under state law. Further, federal law defines performance requirements for state UI programs and determines the amount of funding awarded the states to administer the program on an annual basis.

The joint federal-state nature of the UI program has only increased in recent years with the continued existence of the Emergency Unemployment Compensation (EUC08) program that was originally enacted in June 2008 under the Supplemental Appropriations Act, P.L. 110-252. 2013 began with uncertainty about the program's future. Specifically, under federal law the EUC08 program lapsed on Dec. 29, 2012. However, the program was brought back almost immediately by the American Taxpayer Relief Act of 2012, P.L. 112-240.

Uncertainty over the future of EUC08 – as well as the ongoing difficulty of administering a federal extended benefit program along with the regular state benefit program – continues to be a challenge for the Kansas Department of Labor (KDOL). To date, Congress has extended the EUC08 program eight different times. The program expired on Jan. 1, 2014. KDOL spent the last months of 2013 planning to the extent possible for a variety of EUC08 scenarios. As of the date of publication, Congress has taken no action to extend the EUC08 program.

In addition to issues related to the future of EUC08 itself, Kansas and all other states had to meet the challenge of implementing shifting amounts of actual benefits paid. Specifically, states were forced to adjust the weekly and total amount of EUC08 benefits paid to claimants due to federal budget cuts, known as sequestration. Further, this process was greatly complicated because CY 2013 encompassed two different federal-fiscal years.

In March 2013, Kansas was required to implement a 7.2 percent reduction in the amount of federally-funded EUC08 benefits that could be paid to claimants as part of the FFY 2013 sequestration cuts. This process required intricate computer programming, extensive messaging and numerous staff hours devoted to training and planning. The end result was a successful implementation that put Kansas in the minority of states that were able to reduce benefits on time with negligible impact on the overall benefits program.

With the new federal fiscal year beginning on Oct. 1, 2013, KDOL was required to implement a different 10.7 percent reduction in EUC08 benefits. In this case, the reduction was based on the original amount of EUC08 benefits prior to the previous reduction. This resulted in many claimants actually receiving an increase in benefits compared to the previous reduction in FFY 2013. This process required even more complicated programming along with the same substantial investment in staff time.

At the same time Kansas finished implementing the second round of required benefit cuts because of budgetary requirements, KDOL had to meet the challenge of administering a federally-funded program with no budget. Beginning Oct. 1, 2013, the federal government was shutdown caused by an ongoing budget impasse. Kansas was not able to access its FFY 2014 grant to administer the Kansas unemployment program. Further, KDOL had to process unemployment claims for record numbers of federal and military personnel who were furloughed as part of the government shutdown.

KDOL was able to maintain operations at the onset of the shutdown with limited carryover funds from the previous fiscal year. In addition, Kansas implemented targeted furloughs throughout the UI program with the objective of maintaining benefit payment operations as long as possible. Fortunately, KDOL was able to receive assistance through the coordinated efforts of the Secretary of Labor, the Office of the Governor and the Kansas Department of Administration. State funds were made available to KDOL that allowed the agency to return almost all furloughed staff to work and provide full services to Kansas claimants and employers for the duration of the federal shutdown.

The federal issues outlined above were a recurring theme during CY 2013. But positive steps concerning the unemployment program were taken at the state level. During the 2013 state legislative session, HB 2105 was adopted by both the Senate and the House and signed into law by Governor Sam Brownback on April 16, 2013. This legislation contained numerous provisions impacting the unemployment program from both the tax and benefit perspective. The legislation was a positive step towards ensuring the solvency of the UI Trust Fund. Further, HB 2105 provides greater clarity for both claimants and employers and aids KDOL personnel administering the Employment Security Law in a manner befitting its stated public policy to “prevent economic uncertainty brought about by involuntary unemployment.” See K.S.A. 44-702.

Kansas UI Trust Fund

The Unemployment Insurance (UI) Trust Fund is funded by employers’ payments through unemployment insurance taxes. Historically the UI Trust Fund has been very sound, but exceedingly high levels of unemployment throughout Kansas from 2008 through 2011 made it necessary for KDOL to obtain advances from the federal government. The agency first obtained loans from the U.S. Treasury in February 2010. Although the level of initial and continued unemployment claims in Kansas fell in both 2011 and 2012 after increasing significantly throughout the recession; claims were still higher than pre-recession levels, continuing the need for KDOL to obtain federal loans.

In 2011, KDOL began making payments on the principal amount of the loan using any excess funds in the UI Trust Fund as they were accrued. This minimized the amount of interest owed on the loans. KDOL made two payments – one in October 2011 and another in November 2011. The third and final payment was made in May 2012, which paid off the remaining loan balance. As the Kansas Trust Fund balance decreased throughout 2012, KDOL obtained a loan of \$40 million in October 2012. This loan was not obtained from the federal government, but rather through the Kansas Pooled Money Investment Board (PMIB). This loan was repaid in June 2013. Additional advances were obtained from the federal government between January and April 2013. These loans were paid in full on September 2013.

High levels of unemployment in 2008 prompted Kansas, and most other states, to take advantage of the special federally-funded UI programs – Emergency Unemployment Compensation (EUC08) and Extended Benefits (EB). Between January 2010 and March 2012 these programs allowed Kansas UI claimants to obtain up to 86 weeks of unemployment. As unemployment levels decreased throughout 2012, the weeks of available extra benefits declined. The EB program expired in April 2012, followed by EUC08 Tier III in June and EUC08 Tier II in December 2012. EUC08 Tier I remained in effect through 2013, adjusted in September 2012 to a maximum of 14 weeks. The entire EUC program expired on Jan. 1, 2014. As of this publication, Congress has taken no action to extend the EUC08 program. A claimant in 2013 was able to receive up to 26 weeks of regular unemployment and 14 weeks of EUC08 for a potential maximum of 40 weeks.

Kansas Unemployment Contact Center

Despite the challenges previously discussed relating to federal involvement with the UI program, CY 2013 saw steady improvement in many facets of the KDOL Unemployment Contact Center. Reorganization of call center structure, management and processes took place throughout the year. The goal of these efforts was simple:

- Improve the timeliness of initial determinations made on claims for benefits
- Improve the quality of benefit determinations
- Improve the level of customer service provided to all Kansans who seek assistance through the Kansas Unemployment Contact Center

Numerous data points indicate these efforts are working. The winter months have traditionally been the stiffest test of the Contact Center. Weather-driven seasonal layoffs have made it difficult in the past for claimants to access the Contact Center from November to February.

However, because of better messaging, an emphasis on customer service and a reduction in claims-related backlogs, the Contact Center has been able to dramatically decrease the number of incoming calls. From Nov. 1 to Dec. 17, 2012, there were 220,953 calls offered to the Contact Center. For the same time period in 2013, that number dropped to 73,225. Further, the Unemployment Contact Center has seen almost a 12 percent improvement in calls answered.

The improvement at the Contact Center has also been aided by the continued strengthening of the Kansas economy. From January to November 2012, there were 183,309 initial claims for benefits filed. For the same time period in 2013, there were only 164,489 initial claims filed. From January to November 2012 there was \$356,152,960 in benefits paid for regular Kansas UI claims. This excludes the federally-funded EUC08 benefits. For the same time period in 2013, there was \$326,888,749 paid in benefits. The practical implication of these figures is that Kansas claimants are able to access the Unemployment Contact Center and receive assistance regardless of the time of year.

In July 2012, KDOL implemented a process change that allows many claimants to provide specific and detailed information on their separation from work at the time they file their claim for benefits. Previously, these claimants would be subject to a scheduled call from the Contact Center at a later date. This call would consist of a UI representative contacting the claimant to conduct a fact-finding interview before making a benefit determination, and could often take place weeks after the initial claim for benefits was filed.

KDOL has created an Advanced Inquiry unit that conducts the fact-finding interview at the same time the claim is filed. Since July 8, 2013, this unit has conducted 10,052 factual interviews for the purpose of making benefit determinations. The end result to the claimant is a much faster decision that allows benefits to be paid quicker or allows the claimant to pursue a faster appeal. As the agency continues to refine this process, claimants and employers will continue to receive benefit determinations faster.

Unemployment Tax Administration

KDOL tax personnel continue to do the work necessary to ensure the integrity of the Kansas Trust Fund. Currently, there are more than 68,500 Kansas employers reporting employee wages under the provisions of the Kansas Employment Security Law. Staff performed 49,914 assignments including audits, investigations, collections, reports and general assignments in 2013.

There were 1,091 employer audits conducted, with approximately \$401,776,000 in total wages audited. A difference of \$10,486,491 was reported as a result of audit findings. This includes Kansas employers both under reporting and over reporting taxable wages.

The efforts of UI Tax Administration also uncovered 2,020 misclassified workers from 487 different employers. The corrected classification of these workers created an additional \$18,770,757 in reportable wages. The potential amount to be returned to the UI Trust Fund from these wages is \$2,318,857.

The efficiency of UI Tax Administration has been greatly enhanced by Kansas employers filing Quarterly Wage Reports electronically. Larger Kansas employers are required to file electronically as the result of legislation enacted in 2008. The threshold was originally employers with more than 250 workers. Currently, employers with more than 50 workers must file their reports electronically.

The process for electronically filing has gradually improved since 2008 with the efforts of UI Tax Administration, KDOL Information Technology staff and the Kansas employers who use electronic filing. In addition to those employers who are required to file electronically by statute, many Kansas employers do so voluntarily. Approximately 80 percent of Kansas employers currently file electronically. For those that do file electronically, more than 90 percent provide the information timely.

UI Tax Administration was timely concerning its legal obligations to administer the Kansas Employment Security Law. Recent legislation requires KDOL to inform Kansas employers of their contribution rate no later than Nov. 30 of the year immediately preceding the year the rate takes effect, see K.S.A. 710b(a). Experience Rating Notices for CY 2014 were mailed on Nov. 8, 2013. This is the earliest in memory that Kansas employers have received notice of their tax rate for the coming year.

Unemployment Appeals

2013 was an unqualified success for the appeals process administered by KDOL as part of the Employment Security Law. The administrative-appellate process consists of two levels. Both levels have distinct performance measurements for timeliness that are promulgated by the U.S. Department of Labor.

The primary requirement for lower-level appeals is the percentage of cases where a decision is issued within 30 days of an appeal being filed. The federal performance goal is that 60 percent or more of cases should be completed within this time frame. This requires KDOL to maintain an efficient process where an unemployment appeal can be docketed, scheduled, a hearing conducted and a decision drafted and mailed within one month.

2013 was the first year since 2008 where the UI program was able to meet the federal performance goals for six consecutive months. Further, in April 2013 the Office of Appeals disposed of 86.5 percent of its cases within 30 days. This was the single-best month for timeliness performance since June 2001.

The primary-performance metric for higher-level appeals is to have an average case aging of less than 40 days. The Employment Security Board of Review has a longstanding tradition of excellence in meeting this requirement, and 2013 was no exception. The Board was compliant with the federal standard for the entire year.

Labor Market Information Services

High Demand Occupations

The High Demand Occupations list uses three sources of data to determine the occupations most needed by Kansas employers. The three sources used are the annual job vacancy survey and the short-term (two year) and long-term (10 year) occupational projections. By using the three sources, demand is measured currently, two years in the future and 10 years in the future. For an occupation to achieve a high ranking, it must have sufficient openings in each of the three measures. The high demand occupations list allows students, workforce planners and elected officials to see which occupations are currently in demand and are projected to be in demand in the future. By utilizing this list, education and training programs can be tailored to fill the current and upcoming needs of the employers in the state. The report can be found at <https://klic.dol.ks.gov/gsipub/index.asp?docid=403>

Commerce/Labor Task Force

Beginning in 2013, Labor Market Information Service (LMIS) collaborated with the Kansas Department of Commerce on the newly created Commerce/Labor Task Force. The task force consists of individuals from Department of Labor including LMIS, communications and unemployment, mixed with units from the Department of Commerce including communications, Workforce Development and America's Job Link Alliance (AJLA). The group meets on a regular basis to determine how the two agencies can become more connected and offer the best quality unemployment and reemployment services to our customers. A few accomplishments already implemented by this group include the following:

- Message regarding workforce services that claimants hear while on hold to file unemployment benefits.
- Targeted emails, sent to claimants in specific areas, to notify them of job fairs and employment opportunities.
- Inserts with information regarding workforce services now mailed with the monetary determination letter received when filing unemployment.
- Scrolling list of jobs posted at all Workforce Centers.
- Efforts to further enhance the partnership between both agencies will continue as more joint-grant opportunities for reemployment initiatives and workforce development are pursued in the future.

2013 Labor Market Data

- The not seasonally adjusted unemployment rate decreased from 5.2 percent in December 2012 to 4.5 percent in December 2013.
- Not seasonally adjusted private sector employment grew by 10,100 jobs from December 2012 to 2013.
- Not seasonally adjusted nonfarm employment grew by 10,000 jobs from December 2012 to December 2013.
- LMIS answered approximately 270 special requests from a wide array of sources within and outside of Kansas, including but not limited to local municipalities, state and federal agencies, private businesses and organizations, universities, individuals and 42 media requests.

LMIS also participated in many other cross-agency initiatives and product developments:

- 2010 - 2020 Long Term Projections
- 2012 Q2 - 2014 Q2 Short Term Projections
- 2012 Unemployment Insurance Reference Guide
- 2013-2014 Certification Incentive with KSDE
- 2013 Economic Report
- 2013 Job Vacancy Survey
- 2013 Kansas LMIS Customer Satisfaction Survey
- 2013 Wage Survey
- Affirmative Action Report
- AO-K Initiative
- Commerce/Labor Task Force
- Consensus Revenue Estimating Committee
- Current Employment Statistics
- Data Mining/Rapid Response presentation for TAA/Dislocated Worker Roundtable
- Focus group for marketing to Kansas high schools
- GIS partnership with Kansas Data Access Support Center
- Governor's Council of Economic Advisors
- Guide to Seasonal Employment
- Help Wanted Online
- High Demand Jobs
- House Bill 2105 Meetings
- House Commerce Committee
- Kansas At-Risk SQSP Project
- Kansas Index of Leading Indicators Presentations
- Kansas Workforce Summit
- KansasWorks State Board
- Legislative Post Audit Meeting
- LMI training development for Workforce Centers staff - with Commerce
- Local Area Unemployment Statistics
- Outcome Success meeting with Commerce and KBOR
- Monthly CPI Updates
- Monthly Labor Reports
- Partnership of data sharing and MOU with Dept. of Corrections
- Partnership of data sharing and MOU with KDHE
- Partnership with KBOR to implement \$9.1M State Longitudinal Database Grant
- Presented at Economic Outlook Meeting - hosted by KLRD
- Project 17 Labor Shed Study with the Advanced Manufacturing Institute
- Provide labor market data to Kansas Board of Education
- Quarterly Census of Employment and Wages
- Rapid Response with Commerce
- REA and RES meeting group with Commerce
- Regional Focus
- Regional Workforce Intelligence Network
- Senate Bill 155 Governor's Initiative High Demand List
- Study of Educational Attainment in Registered Nurses
- Topeka Workforce Center Task Force
- Unemployment Insurance Weekly Review
- Voc-tech Authority Presentation
- WDQI Grant
- Wichita Workforce Center Presentation
- Workforce Information Database
- Workforce Investment Act Funding Allocation Formula
- Workforce Study Task Group with KansasWorks

Workers Compensation

Revisions to the Workers Compensation Act (SB 187) were passed by the 2013 Kansas Legislature. The revisions enacted included adoption of the American Medical Association (AMA) Guides to Rating Impairments 6th Edition. The new 6th Edition will be used to determine impairment ratings for injured workers beginning Jan. 1, 2015. In response, the Division edited regulations, forms and publications to conform to the new law.

Other activities this past year in the Division of Workers Compensation included:

- A total of 56,009 work injuries and illnesses were reported to and processed by the Division in 2013, a 4 percent decrease from 2012.
- Review of the judicial process and information management system for creation and implementation of a digital (paperless) adjudication system.
- Adoption of the International Association of Industrial Accident Boards and Commissions (IAIABC) Release 3 claims Electronic Data Interchange (EDI) standard for electronic filing of accident reports. On April 1, July 1 and Oct. 1, 2013 mandatory electronic filing of accident reports to replace paper filings by employers and insurance carriers was phased in.
- Received 509 fraud and abuse referrals, closed 526 fraud and abuse cases, prosecuted 45 fraud and abuse administrative cases, prosecuted one criminal case and collected more than \$301,000 in fraud and abuse fines and restitution.
- Provided educational presentations to 913 individuals including attorneys and representatives from employers, insurance carriers and health care providers.
- Assisted 18,199 injured workers, insurance agents, attorneys, employers and health care providers with questions about the law.
- Hosted 370 attendees at the annual Workers Compensation Seminar in August, held in Wichita. The seminar focused on the changes and case decisions resulting from enactment of the 2011 reforms to the Kansas Workers Compensation Act.
- Settled more than 200 disputes between medical providers and payers.
- Relocated regional offices and courtrooms in Lenexa and Wichita.

Safety in the Workplace

The Division of Industrial Safety and Health consists of 17 safety and health consultants with nearly 300 years of combined experience. Identifying safety hazards and helping Kansas businesses and public sector entities eliminate unsafe practices are the goals of the Division. Helping Kansas workers avoid on-the-job injuries and providing a safe working environment is the ultimate goal of the Division of Industrial Safety and Health. The programs that help accomplish these goals are promoted throughout the state, but sell themselves by word of mouth from satisfied employers.

In 2013:

- The Kansas Consultation Program, in cooperation with the Occupational Safety and Health Administration (OSHA), conducted 501 safety and health visits. These visits identified 2,549 serious hazards in a variety of industries. OSHA has placed an emphasis on construction, oil and gas, manufacturing facilities with amputation hazards, nursing homes and grain handling. The focus of this program continues to be small companies with less than 250 employees on-site, that are considered a high hazard industry.
- The Safety and Health Achievement Recognition Program (SHARP) continues to grow in Kansas with 185 sites. This is an increase of 12 sites from 2012. Kansas has the greatest number of SHARP sites in the nation and the highest percentage of SHARP sites per workplace establishment in states under federal OSHA jurisdiction.

- The Kansas SHARP Association, established in 2011, continues to provide an avenue for networking and mentoring, serving as a valuable tool for businesses. In 2013, the Association developed a website to assist Kansas employers in many safety initiatives. Additionally, the Association has partnered with Pittsburg State University to sponsor a scholarship for students pursuing a degree in Occupational Safety Management at PSU.
- The Safety and Health Award for Public Employees (SHAPE) recognition program, awarding public sector workplaces, such as state and local governments, state universities and unified school districts, for accident-free work hours and an exemplary safety and health program was implemented in 2012. Although no SHAPE awards were presented in 2013, KDOL's safety consultants continuously seek out public sector and state workplace entities that qualify for the award.
- The Division is responsible for investigating safety and health issues with public entities. During 2013, 113 inspections were completed at cities, counties and school districts. These inspections included 516 separate locations and involved 6,261 employees.
- The Division assisted the Kansas Department of Health and Environment with the State Workplace Health and Safety Program, created under K.S.A 44-575(f). During 2013, the Division conducted 220 ergonomic assessments at 109 locations, 28 safety and health inspections at state agencies, visiting 166 sites and assisting 2,712 employees. Additionally, safety and health consultants identified and corrected 2,391 hazards.
- For nearly 20 years as a prerequisite for authority to provide workers compensation insurance coverage, Kansas insurance companies or group-funded plans have been required to provide accident prevention programs upon request of the covered employer. KDOL is charged with inspecting these programs. The Division completed more than 500 audits in 2013. As a result, one investigation of an insurance company is on-going.
- The 64th Annual Safety and Health Conference was held Oct. 1 - 4 in Topeka with 189 persons and 37 exhibitors in attendance. Feedback from those in attendance included: "Really have the event down well!" and "It keeps getting better and better every year." A variety of topics are covered for the diverse array of industries in attendance.
- The Amusement Ride Inspection Program was implemented in 2012. In 2013 inspectors visited 12 parks, festivals and fairs. At those 12 locations, only two violations were found.
- Late last year, the Division added a Hispanic Outreach Program. The main focus is to provide safety and health information to the Hispanic workforce. Through partnerships with established associations, the program conducts outreach and training activities throughout the state. In 2013, 25 Hispanic workers received their OSHA 10-hour training in Spanish.
- The Boiler Safety unit was transferred to the State Fire Marshall's Office on July 1, 2013.

Legal Services

The Benefit Payment Control (BPC) and Special Investigations units have established relationships with local, state and federal agencies which have previously not partnered with KDOL in investigating UI benefit fraud and identity theft. Special Investigations and BPC investigate fraud within the Kansas UI system including, but not limited to, fraudulent claims, identity theft and fictitious employers. Since July 1, 2013, the Special Investigations unit has submitted 27 cases for prosecution to various authorities.

The Legal Services, BPC and Special Investigations units also provide significant support to combat human trafficking.

The Employment Standards unit administers the Kansas Wage Payment Act and other labor laws. Its primary focus is to ensure employees recover unpaid wages.

In 2013, KDOL received 926 new claims for unpaid wages, with 881 served. The remainder were closed, referred to the proper agency or sent back for additional information. A total of 829 claims were fully processed and closed by investigation or Order at year's end. A total of \$1,165,000 was collected and returned to Kansas employees during the year.

In 2013, the Asset Recovery Unit implemented several legislative changes that resulted in significant increases in collection efforts and improved detection of improper unemployment insurance (UI) payments. HB 2105 authorized Asset Recovery to use administrative lien and levy powers, traditionally reserved for the collection of employer tax contributions, in the pursuit of overpayments from claimants who improperly received UI benefits. This legislative change resulted in KDOL collecting \$4 million in just the first five months of FY 2014. Year-over-year collection figures total approximately \$17.1 million dollars for FY 2013, an 18 percent increase from the prior year. This upward trend in collections is expected to continue. Nearly 5,000 UI claimants have promised to make monthly payments to reduce their overpayment amounts since the legislative changes went into effect.

Asset Recovery has also ramped up its efforts to identify improper and/or fraudulent UI payments before claimants receive substantial benefit payments. KDOL recently was accepted by the U.S. Department of Labor as one of three pilot states to help develop a predictive model designed to identify improper UI payments. This initiative is just one effort on the part of Asset Recovery to identify improper payments prior to UI payments being given to claimants. The unit has also emphasized the identification and revision of existing UI processes that require additional internal controls. These efforts resulted in the Benefit Accuracy Measurement unit's overpayment detection rate increasing from 72.3 to 106.9 percent from 2012 to 2013.

Information Technology

The Division of Information Technology Services accomplishments in 2013 include:

- Implementing an Avamar backup solution to improve backup and restore functionality, increasing the agency's disaster recovery abilities.
- Continuing to be proactive with the implementation of new security policies, including policies for mobile platforms and devices.

- Implementing Voice Over Internet Protocol (VOIP) and IP Flex for phone service at KDOL's 1309 S.W. Topeka Blvd. building in Topeka and expanded VOIP to the Lenexa and Wichita offices.
- Upgrading technologies, including enterprise vault, email archiving, print server consolidation and operating system upgrades to several servers.
- Virtualizing all physical servers that can be virtualized. This includes removing old physical servers from data centers and scrubbing data in preparation for surplus.
- Rewriting and designing the state New Hire application for both internal and external users in the .NET Framework.
- Modernizing the Mass Layoff application from a desktop to a Web application and simplified the program for all users.
- Rewriting and modernizing the Benefits Administration application for Customer Service Representatives and multiple business users in the .NET Framework and moved it to the Intranet.
- Capturing and storing all external user's IP addresses.
- Implementing a Fraud Administration application that allows users to search the database with partial queries and tie claimant information to employer information and vice versa.
- Deleting 25 virtual servers by merging and consolidating databases and applications. This saved space/storage and cleaned up the virtual environment.
- Acquired four new air handlers for the computer operations room to greatly improve the environmental control for equipment and paper stock. It also reduced maintenance and electricity costs within the computer room.

Information Technology Services continues to work on improving the effectiveness and efficiency of all KDOL units. As a part of ongoing efforts to manage maintenance costs, the unit acquired two new production printers, which allow for a 30 percent faster print time, increased printer uptime and a 70 percent reduction of maintenance costs per month. The maintenance rate is guaranteed for five years.

The Information Technology Services group is proactively working to replace aging desktop and office equipment to increase productivity and reduce ongoing costs. Personal computers, notebooks, tablets and phones have been replaced within several business units.

Fiscal Year 2013 Actual Expenditures

	Actual Expenditures	Percent
	\$625,232,877	100.00%
State General Fund:		
General Administration	80,148	
Legal Services	132,983	
Employment Standards	11,553	
Public Employees Relations Board	113,012	
Total SGF	\$337,696	0.05%
Fee Funded Programs:		
Boiler Inspection	519,928	
Wage Claims Assignment Fund	742	
Workers Compensation	10,208,868	
Total Fee Funds	\$10,729,538	1.72%
Federal Funded Programs:		
Unemployment Insurance	26,710,072	
Wagner Peyser (LMI One-Stop)	484,690	
OSHA	708,453	
Labor Force Statistics (BLS)	849,010	
OSH/CFOI	64,419	
LMI OSHA	31,291	
Total Federal	\$28,847,935	4.61%
Unemployment Insurance Benefits:	\$577,445,964	92.36%
Other Funds:		
Penalty & Interest Funds	\$1,065,688	0.17%
Federal Indirect Offset Fund	\$215,352	0.03%
KDOL Special Projects Fund	\$183,320	0.03%
Special Wage Payment Clearing Trust Fund	\$55,761	0.01%
KDOL Off Budget (MOUs)	\$468,146	0.08%
Interest for UI Trust Fund Advances	\$5,883,477	0.94%
