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Amber Shultz, Secretary

Laura Kelly, Governor

September 15, 2025

Mr. Adam Proffitt, Director
Division of the Budget
900 SW Jackson, Suite 504-N
Landon State Office Building
Topeka, KS 66612

Dear Mr. Proffitt:

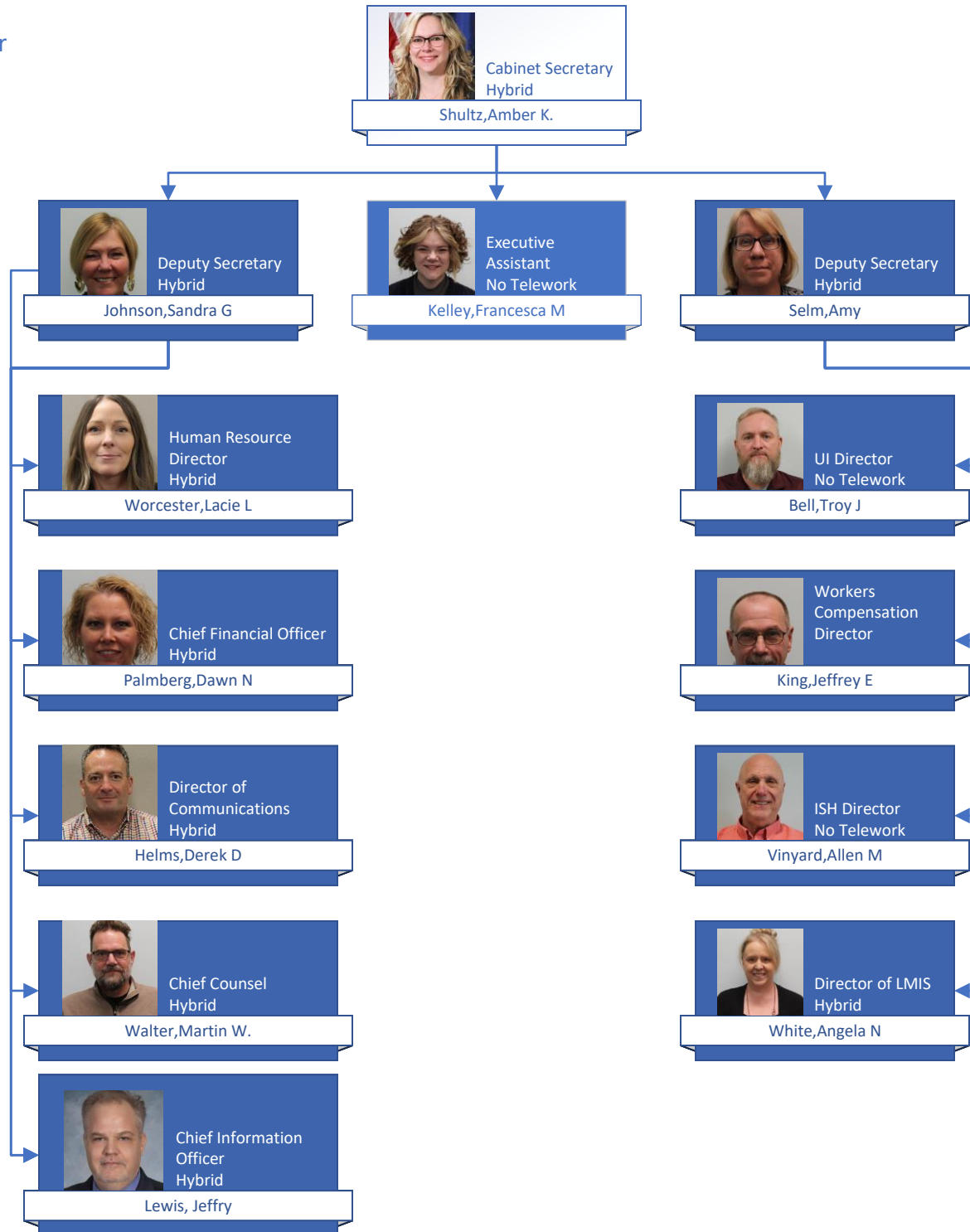
As Secretary of the Department of Labor, I hereby submit for your consideration the Fiscal Year 2026 budget document for the Department. It has been prepared in accordance with the instructions transmitted with your letter of July 9, 2025. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

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

Amber Shultz
Secretary



AGENCY MISSION:

The Kansas Department of Labor offers accurate, timely and fair information and services to workers and employers administered by employees dedicated to public service for fellow Kansans.

AGENCY VISION:

An empowering employer providing resources and economic security to all Kansans.

AGENCY PHILOSOPHY AND VALUES:

Guiding principles of the agency include to demonstrate organizational excellence, deliver operational integrity and empower and engage employees. Our work is characterized by:

- Service: As public servants, deliver consistent and reliable programs and services to meet the needs of the community.
- Integrity: Protect information, processes, and people by upholding the highest standards of integrity, and consistently acting with honesty and transparency in all our actions and decisions.
- Innovation: Embrace creativity and curiosity to solve problems, drive efficiencies, and enhance the efficacy of programs and services.
- Communication: Create a culture of honesty, trust, and collaboration by fostering clean and open communication.
- Stewardship: Maximize impact and ensure long-term sustainability by implementing forward-thinking management practices.
- Respect: Value diverse perspectives to foster an inclusive and positive environment and demonstrate empathy in all interactions.

PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION:

Administration and Support Services include the Secretary of Labor, Legal Services, Fiscal Management, Facilities, Human Resources, Communications and Information Systems and Technology.

Labor Market Information Services (LMIS) – LMIS maintains labor force and economic data. LMIS is also the actuarial trustee of the state’s Employment Security Trust Fund.

Unemployment Insurance Services – Employer payroll taxes are collected under this program and unemployment benefits are paid to eligible individuals. This program is financed by federal funds and operated in accordance with federal laws and regulations.

Industrial Safety and Health – This program coordinates a variety of safety and health sub-programs with the common goal of reducing the frequency and severity of workplace accidents and illnesses.

Workers Compensation Services – Under the Workers Compensation Act, the Department conducts hearings on contested matters and negotiates settlements, advises claimants of their rights, receives accident reports and directs and audits the vocational and physical rehabilitation needs of injured workers.

Employment Standards & Labor Relations – These two program areas are responsible for the enforcement of minimum wage, wage payment and child labor laws as well as the regulation of private employment agencies.

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Collective bargaining assistance is given to employees in both private as well as public sectors. Laws governing the Professional Negotiations Act are administered as well.

STATUTORY HISTORY:

The Kansas Department of Labor (KDOL) was renamed the Kansas Department of Human Resources in 1975. Executive Reorganization Order (ERO) No. 31 changed the name back to the Kansas Department of Labor in 2004. The Legislature enacted the change to implement the order, and it became effective on July 1, 2004. The ERO transferred the Division of Employment and Training to the Department of Commerce and transferred the Kansas Advisory Commission on Hispanic/Latino Affairs and the Kansas African American Affairs Commission to the Department of Administration. In July 2005, America's Job Link Alliance - Technical Services (AJLA-TS) was also transferred to the Department of Commerce to be more in line with workforce development and the Employment and Training programs.

The law establishing the agency is found in sections 75-5701 through 75-5746 of Kansas Statutes Annotated. The Department administers the Kansas Employment Security Law, K.S.A. 44-701, *et seq.*; the Workers Compensation Act, K.S.A. 44-501, *et seq.*; the Wage Payment Act, K.S.A. 44-313, *et seq.*; Minimum Wage and Maximum Hours Act, K.S.A. 44-1201, *et seq.*; Child Labor Act, K.S.A. 38-601, *et seq.*; the Agricultural Labor Relations Act, K.S.A. 44-820, *et seq.*; laws regulating private employment agencies, K.S.A. 44-401, *et seq.*; labor relations, K.S.A. 44-801, *et seq.*; Public Employer-Employee Relations Act, K.S.A. 75-4321, *et seq.*; Professional Negotiations Act, K.S.A. 72-2218, *et seq.*; Kansas Amusement Ride Act, K.S.A. 44-1601, *et seq.*; an act prohibiting discrimination and retaliation against an employee who is a victim of domestic violence or sexual assault from taking time off work under certain circumstances, K.S.A. 44-1131-33; several statutes concerning inspections and safety at work sites, including K.S.A. 44-631, 44-634, 44-636 through 44-638; providing consultation to the human trafficking advisory board, K.S.A. 75-757; and investigates complaints and issue final orders concerning violations of HB 2001 (2021 Special Session) related to employer-imposed COVID-19 vaccination requirements.

The agency receives a large amount of federal funding, and must comply with numerous federal laws, including Titles III and IX of the Social Security Act; the Federal Unemployment Tax Act (FUTA); Families First Coronavirus Response Act, specifically Division D; the Emergency Unemployment Insurance Stabilization and Access Act of 2020; the American Rescue Plan Act (ARPA) of 2021; and the Confidential Information Protection and Statistical Efficiency Act (CIPSEA). The agency also receives federal funds from the Occupational Safety and Health Administration to administer the OSHA Section 21(d) workplace safety consultation program, and from USDOL to fund certain Bureau of Labor Statistics programs.

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REVENUE ESTIMATES:

FUND: 2041

Fund 2041 contains the registration fees collected by KDOL for the Industrial Safety and Workers Compensation Conferences.

FUND: 2120

The statutory authority for the Special Employment Security Fund is found in K.S.A. 44-716a. The revenue into the fund (K.S.A. 44-717) is penalties (.05% of total wages paid by the employer during the quarter, except that no penalty shall be less than \$25 and no more than \$200 for each untimely return) and the interest (1% per month on unpaid balance) paid by employers who are untimely in paying their contribution tax. Revenue also includes interest (1.5% per month or fraction thereof) paid by individuals on benefit overpayments that are the result of fraud, misrepresentation, or willful nondisclosure of required information (K.S.A. 44-719).

FUND: 2124

Fund 2124 is authorized under K.S.A. 74-715. The revenue for the Workers Compensation Fund is from an annual assessment applied to calendar year claims paid by insurance companies admitted and authorized to write workers compensation insurance in Kansas, qualified employers that self-insure its workers compensation exposure, and deductible amounts paid by insurance carrier policyholders. The assessment rate is a product of the total amount of revenue needed for the state fiscal year divided by the total amount of claims paid. The Assessment rate for FY 2027 is 2.75%.

FUND: 2204

Whenever the agency takes assignment of a wage claim for an individual, the agency is to charge a fee as fixed in K.A.R. 49-21-1. The maximum fee allowable is \$25.00. No revenue is estimated for SFY 2026 or SFY 2027.

FUND: 2224

Fund 2224 is authorized under K.S.A. 75-4215. The revenue for the Amusement Ride Safety Fund is from permits and licensing of amusement ride owners/operators in Kansas. The fee schedule is contained within the statute.

FUND: 2302

No revenue is collected in this fund. Money received into this fund is a transfer from the Special Employment Security Fund based on the agency's need to supplement SGF. The authorization for this transfer is found in K.S.A. 44-716a. At this time no transfers are budgeted for SFY 2026, or SFY 2027. USDOL states that the maximum transfer allowed is equal to the SWCAP rate for the corresponding year.

FUND: 2781

Fund 2781 was established as the Agency's indirect cost fund. Revenue is generated by charging various programs within the agency that benefit from support of the administrative divisions the approved indirect cost rate of 12.50 percent for SFY 2026. The indirect cost rate has not been established for SFY 2027. Support

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divisions include human resources, finance, legal, office of the secretary, communication, and information technology.

FUND: 2895

Fund 2895 was established through Senate Bill 15. Senate bill 15 created the Sheltered Workshop Transition Grant Fund, to be administered by the Kansas Secretary of Labor, which provides for an annual transfer of \$1,000,000 to the fund from the state Economic Development Initiatives fund (EDIF). KDOL created an MOU with the Kansas Department for Aging and Disability Services to administer the program.

Revenue Estimates for Fee Funds				
Fund	Name	SFY 2025 Actual	SFY 2026 Estimate	SFY 2027 Estimate
2041	KDOL Special Projects Fund	\$202,596	\$240,000	\$250,000
2120	Special Employment Security Fund	\$485,001	\$2,000,000	\$1,500,000
2124	Workers Compensation Fund	\$13,478,603	\$12,000,000	\$12,000,000
2204	Wage Claims Assignment Fee Fund	\$2,101	\$0	\$0
2224	Amusement Ride Safety Fee Fund	\$80,352	\$80,000	\$80,000
2302	Federal Indirect Cost Offset Fund	\$0	\$0	\$0
2781	Indirect Cost Fund	\$2,493,613	\$3,236,883	\$3,152,179
2895	Sheltered Workshop Transition Grant Fund	\$1,000,000	\$1,000,000	\$1,000,000
Total		\$16,742,266	\$18,556,883	\$17,982,179

FUND: 3275

The revenue into this fund is a grant from the United State Department of Labor (USDOL) to provide labor market information to the local areas in delivering the Workforce Investment Act.

FUND: 3335

The revenue into this fund is a grant from the USDOL for the administration of the Unemployment Insurance program established under the Social Security Act. The State authorization for this fund is found in K.S.A. 44-716.

FUND: 3336

The buildings owned by the Kansas Department of Labor were built with federal funds for the operation of Unemployment Insurance (UI) and Job Service programs. The federal guidelines regarding the use and disposition of real property acquired with UI and/or Job Service funds is contained in United States Department of Labor General Administration Letter no. 5-94. The guidelines on page 20 states under section (i) "Proceeds from the disposition of SESA real property must be handled according to Office of Management and Budget Circular A-87 and 29 CFR 97.31. Funds must be returned to the United States Department of Labor or may be used for UI administrative purposes. No revenue is expected in SFY 2026 or SFY 2027.

FUND: 3339

The revenue into this fund is a grant from the USDOL to perform workplace safety consultations to private

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employers. The grant does not pay for consultation services with the public sector.

FUND: 3742

The revenue into this fund is a grant from the USDOL/Bureau of Labor Statistics for the operation of the Labor Market Information cooperative statistical programs and activities which provide statistical data on employment, hours, wages, unemployment, and layoffs by occupation and industry for the nation, States, metropolitan areas, and counties. Data can be monthly, quarterly, or annual.

FUND: 3743

The revenues into this fund are grants from the USDOL/Bureau of Labor Statistics for carrying out the responsibilities of collecting information on occupational injury and illness under Section 24 of the Occupational Safety and Health Act of 1970 along with collecting information on occupational fatalities in the state.

Revenue Estimates for Grants and Agreements					
CFDA#	Fund	Grant Name	SFY 2025 Actual	SFY 2026 Estimate	SFY 2027 Estimate
17.207	3275	One-Stop LMIS	\$511,029	\$469,702	\$474,908
17.225	3335	Unemployment Insurance	\$21,972,757	\$24,718,373	\$21,412,100
17.225	3335	Reed Act Funds	\$0	\$0	\$0
17.225	3336	Sale of Federal Buildings	\$0	\$0	\$0
17.504	3339	OSHA Consultation	\$766,631	\$711,160	\$727,400
17.002	3742	LMIS Cooperative Agreement	\$654,876	\$716,516	\$716,484
17.005	3743	OSHS/CFOI	\$78,400	\$85,607	\$85,407
Total			\$23,983,693	\$26,701,358	\$23,416,299

FUND: 6112

The revenue into this fund is derived from agreements and contracts with other State agencies for services rendered and from internal payments from agency programs to cover the expenses of maintaining our agency's motor vehicles. Revenue is estimated at \$474,436 in SFY 2026, and \$475,475 in SFY 2027.

AGENCY-WIDE OVERVIEW:

CURRENT YEAR 2026:

KDOL’s SFY 2026 budget includes \$11,788,688 of SGF expenditures. Additionally, KDOL’s budget includes fee fund expenditures of \$22,549,285; federal fund expenditures of \$25,951,394; and off budget fund expenditures of \$474,435. The agency’s Kansas unemployment insurance benefits are projected to be \$225,580,001 in SFY 2026. The operating budget of the agency generally reflects normal operations after a wind down of improvements to the agency’s unemployment technology infrastructure.

SUPPLEMENTAL PACKAGES:

No supplemental packages are requested for SFY 2026.

BUDGET YEAR 2027:

KDOL’s SFY 2027 budget includes \$10,224,625 of SGF expenditures. Additionally, KDOL’s budget includes fee fund expenditures of \$21,766,980; federal fund expenditures of \$23,416,299; and off budget fund expenditures of \$475,476. The agency’s Kansas unemployment insurance benefits are projected to be \$231,227,718 in SFY 2027. The operating budget of the agency generally reflects a continuation of normal operations, as well as continued improvements to the agency’s overall technology infrastructure.

ENHANCEMENT PACKAGES:

The agency requests two enhancement packages for SFY 2027.

1. The agency requests an enhancement package in the amount of \$265,904 in SFY 2027 and annually thereafter to fund the initiative “Today’s Occupations Tomorrow’s Opportunities” - Wizard of Jobs: The TOTO-Wizard of Jobs is an intuitive career coaching site that will engage students early and often in career exploration and planning activities, encouraging discovery of interests and talents, as well as identifying pathways and experiences that lead to real employment opportunities right here in Kansas.

T.O.T.O. provides learners with the self-service tools needed to manage each stage of their career development. It takes a systematic approach to guide students in pathway exploration and preparation for employment. Additionally, T.O.T.O. will support the active guidance of stakeholders vested in student success through the use of staff accounts and ad-hoc reporting tools.

T.O.T.O. hosts the Wizard of Jobs lifestyle budgeting tool, which gives students an idea of how much it really costs to live the way they want to live. Using real Kansas data, students make selections from various categories, including what type of home they want to live in, what their transportation situation would look like, how often they want to eat out, what activities they’d want to engage in, etc. Wizard of Jobs takes these selections and estimates the salary needed to maintain their desired lifestyle. Students can then use this salary estimate to guide their career search for jobs that pay enough to support them.

2. The agency also requests \$330,480 in SFY 2027 and annually thereafter to pay for increased data storage fees negotiated by the Office of Information Technology Services. OITS is in the process of

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negotiating data storage services for the state of Kansas. The cost of this contract contains an additional estimated \$.27 per GB more than the current cost. KDOL estimates this to be an additional cost to the agency of \$27,000 per month plus the 2 percent administrative fee to OITS of \$540 for a total ongoing annual cost of \$330,480.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$0	\$0	\$200,604
Contractual Services	\$0	\$0	\$393,280
Commodities	\$0	\$0	\$2,500

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POSITION DATA

The position counts listed below for each major division of the Kansas Department of Labor.

<u>PROGRAM</u>	<u>FTE POSITIONS</u>	<u>NON-FTE UNCL. PERM POS.</u>
Administration and Support	50.09	36.23
Labor Market Information	9.00	7.00
Unemployment Insurance Services	144.15	62.10
Industrial Safety and Health	9.70	8.10
Workers Compensation Services	51.00	20.00
Labor Relations and Employment Standards	2.00	1.10
Off-Budget Programs	2.21	1.42
Total Positions	268.15	135.95

ADMINISTRATION AND SUPPORT SERVICES PROGRAM**GENERAL ADMINISTRATION**

The Secretary's Office set the strategic direction for the agency, facilitates policy development, and collaborates with stakeholders. The Secretary's Office consists of the Secretary, two Deputy Secretaries, the Executive Assistant, and a half-time COOP Planner. The budget for the Secretary's Office is relatively small and primarily consists of salaries, travel and normal office operational expenses. Also, included in the budget is \$5,000 from SGF for official hospitality for each budget year.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$612,871	\$678,464	\$682,158
Contractual Services	\$156,175	\$111,916	\$115,124
Commodities	\$1,640	\$1,689	\$1,740
Capital Outlay	\$960	\$988	\$1,018
Other Non-Expense Items	\$0	\$1,000,000	\$1,000,000

The increase in salaries is primarily due to the market adjustments implemented by the 2025 legislature and the addition of a COOP planner for the agency. The decrease in contractual services is primarily due to a one-time training assessment conducted in SFY 2025. The increase in commodities and capital outlay resulted from a general inflation rate of three percent each fiscal year. The increase in non-expense items is due to implementation of the Kansas Sheltered Workshop Program.

LEGAL

The function of the Legal Division is to provide legal services to the Department of Labor, which includes providing legal counsel to the agency, its boards, divisions, and officials generally, and representation in state and federal court, as well as before various administrative tribunals. Specifically, the Legal Division provides legal research, briefing, and advice to the different divisions and executive leadership of the agency regarding compliance with state and federal laws, and the Legal Division reviews all leases, contracts, terms of service, settlement agreements, inter-agency agreements, memorandums of understanding, data-sharing agreements, and major policy or program changes. The Legal Division advises the Secretary, Deputy Secretaries, Division Directors and other managers and employees of the agency concerning the administration and enforcement of Employment Security Law, the Workers Compensation Act, the Agricultural Labor Relations Act, the Kansas Civil Service Act, the Wage Payment Act, Public Employer/Employee Relations Act, the Kansas Amusement Ride Act and the Professional Negotiations Act, the Kansas Open Records Act, Kansas Open Meetings Act, state ethics laws, the Hatch Act, as well as an act that provides protection against discrimination and retaliation toward an employee who is victim of domestic violence or sexual assault from taking time off work under certain circumstances. The Legal Division also provides legislative support upon request.

Some of the Legal Division's specific services include, but are not limited to: the recovery of unemployment overpayments and delinquent tax obligations; investigation of unemployment fraud; assistance in collecting unpaid wages for members of the public; identification and assistance in implementing methods of preventing overpayments of UI benefits; providing timely legal advice to agency personnel and boards; providing legal representation for the agency and agency personnel in their official capacity; enforcement of agency subpoenas

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and orders; negotiation, drafting and review of agency contracts and interagency agreements; drafting and reviewing of proposed legislation and regulations affecting the agency, and assisting in response to legislative inquiries. In addition, with the enactment of K.S.A. 77-440 in 2022, the Legal Division shall be required to conduct a formal review of all KDOL regulations once every five (5) years.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$1,018,116	\$1,013,625	\$1,019,189
Contractual Services	\$215,360	\$210,982	\$217,309
Commodities	\$1,608	\$1,631	\$1,681
Capital Outlay	\$113	\$30,236	\$31,143
Non-Expense Items	\$2,411	\$45,297	\$44,461

Staffing decreased by 1.5 FTE between 2025 and 2026. The division determined backfilling these positions is not necessary at this time. Therefore, the market adjustments did not appear to have an impact on this division. The increase in contractual services reflects the increasing costs of the contract with the Office of Administrative Hearings. The increase in SFY 2026 in capital outlay is a result of the anticipated purchase of a legal document management software package and development of transcription software. All other expenses are expected to be stable and result from normal operations with a general inflation rate of three percent each fiscal year. Non-expense items include the expense for indirect cost charges.

FISCAL

The primary responsibility of the Fiscal Division is to provide reliable and timely financial information to various staff throughout the agency. Additional duties include the accurate and timely assessment and payment of all agency expenditures; budgeting activities on both the state fiscal year and federal fiscal year; federal reporting; oversight of the agency's motor pool fund; and procurement services.

The Fiscal Division is responsible for maintaining the facilities and grounds for the agency and currently retains two employees for this purpose. The agency owns and maintains four properties in Topeka. Therefore, the agency's capital improvement budget falls under the Fiscal Division. The agency does not own any properties outside of Topeka but does lease space in Garden City, Lenexa, Salina, and Wichita. No costs are incurred outside of overhead for the leased spaces outside of Topeka. The Fiscal Division is also responsible for mail distributions for the agency and retains two employees for this purpose.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$1,047,126	\$1,123,665	\$1,132,150
Contractual Services	(\$17,256)	\$52,098	\$53,659
Commodities	\$3,422	\$3,845	\$3,960
Capital Outlay	\$219	\$393	\$405
Capital Improvements	\$13,000	\$0	\$0
Non-Expense Items	\$1,578,129	\$0	\$0

The increase in salaries is primarily due to the market adjustments implemented by the 2025 legislature. The negative amount recorded for actual expenditures in SFY 2025 in contractual services reflects the postage inflows and outflows for the agency. The change for the purchase of postage resulted from a federal audit,

which required non-federal funding to secure postage for the agency then be reimbursed federal grant after postage is used. The non-expense item category contains grant passthrough to the Department of Commerce. This expense is typically budgeted within the LMIS division. The charge to capital improvements in SFY 2025 was an accounting error.

HUMAN RESOURCES

The Human Resources (HR) Division provides comprehensive human resource information and support across the agency. Its functions are critical to ensuring the agency’s workforce is well-supported, well-trained, and equipped to succeed.

The Division oversees all personnel transactions for the agency, including payroll, shared leave, FMLA, and parental leave programs. It is also responsible for managing and issuing employee ID badges, overseeing training and compliance, providing learning resources, handling records retention, coordinating new employee orientation, and administering agency-wide training initiatives. These responsibilities are essential to ensuring employees have access to necessary tools and training while maintaining accurate and secure employee records.

In recent years, the Division has made significant achievements to improve efficiency and employee experience. Notably, HR has eliminated 100% of the paper files previously maintained and now operates electronically to the greatest extent possible, reducing redundancy and increasing efficiency. Additionally, the Division has implemented new employee surveys, supervisor surveys, and other process updates designed to strengthen the onboarding experience and provide valuable feedback for continuous improvement.

The agency also places a strong emphasis on recruitment and retention. The Division manages pre-employment screenings, the preparation of offer letters and new hire packages, and the overall onboarding process to ensure smooth and efficient entry into the agency. Beyond onboarding, the Division plays a continuing role in supporting the employee’s career journey and professional growth within the agency.

The Division is also central to employee relations, fostering a positive and productive work environment. This includes addressing employee concerns, supporting communication between staff and management, and promoting a culture of collaboration and respect across the agency.

Looking ahead, the agency anticipates the addition of a Training Coordinator position within the HR Division. This role will enhance the agency’s ability to deliver professional development opportunities, offer software-specific training, and expand onsite education resources. This investment reflects the agency’s commitment to strengthening workforce development and ensuring employees are equipped with the skills necessary to meet evolving operational needs.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$349,175	\$481,192	\$483,821
Contractual Services	\$17,434	\$17,959	\$18,498
Commodities	\$1,335	\$1,375	\$1,416
Capital Outlay	\$110	\$114	\$117

The increase in salaries is due to the market adjustments implemented by the 2025 legislature and an increase in staffing for the division. As stated above, HR intends to hire a training coordinator during SFY 2026. The

remaining expenses reflect normal agency operations and reflect a general inflation rate of three percent each fiscal year.

COMMUNICATIONS

The Communications Division is responsible for a wide variety of services including, but not limited to agency-wide emails, monitoring the communications email inbox, internal and external facing material from content and graphic, ordering business related materials (business cards, plates, badges, etc.), creating and maintaining agency forms, creating presentation materials, coordinating public relations, maintaining social media platforms, supporting events as needed and translations across all divisions.

Current objective of the Communications Division is to market our services across Kansas businesses. Also, the division will continue to drive the narrative after modernization of KDOL being a positive impact on Kansas. The agency continues to develop our brand and marketing strategies, creating our material in plain language and providing material (marketing or educational) towards each of our audiences. To do this, the Communications Division will need to grow to provide the service the agency is requesting.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$563,975	\$359,989	\$361,863
Contractual Services	\$27,429	\$31,532	\$32,477
Commodities	\$2,783	\$5,058	\$5,211
Capital Outlay	(\$975)	\$248	\$256
Non-Expense Items	\$0	\$35,752	\$35,084

The decrease in salaries is due to a decrease in staffing within the division. The increase in non-expense items is due to a change in accounting methodology. The Communications Division is now allowed to charge directly to projects instead of all expenses for this division being charged to indirect costs. All other expenses reflect normal operations and a general inflation rate of three percent each fiscal year.

INFORMATION SYSTEMS AND TECHNOLOGY

The Information Technology (IT) Division is a critical enabler of the agency's mission, driving operational excellence and enhancing service delivery to the citizens of Kansas.

The division manages an expansive and dynamic IT environment, ensuring that KDOL's technological backbone remains robust and adaptable. Key responsibilities include:

- **Comprehensive IT Services:** Managing and maintaining all computing services and IT resources across the agency, ensuring seamless daily operations.
- **Employee Enablement:** Equipping new employees with the necessary hardware, software, and access, while providing ongoing IT support to ensure staff productivity.
- **Application Reliability:** Safeguarding the reliability and accessibility of mission-critical applications across a diverse range of platforms, from legacy mainframes to modern web-based solutions.
- **Infrastructure Management:** Overseeing the core IT infrastructure, including client-server systems, networking, and telecommunication services, to support uninterrupted agency operations.

Modernization and Infrastructure

The IT Division is not just a support function; IT is a strategic partner in KDOL's long-term planning and success. Contributions include:

- **Data Strategy Leadership:** Spearheading the agency's data strategy to ensure that data is effectively collected, stored, and leveraged for informed decision-making.
- **Cloud Adoption and Migration:** Driving the transition to secure, scalable, and cost-effective cloud solutions, aligned with KDOL's operational needs.
- **Talent Development:** Cultivating a skilled and future-ready IT workforce by defining and implementing long-term staffing best practices.

To build on this talent foundation, KDOL has strategically connected workforce development with technology modernization to ensure KDOL has the expertise needed to support new systems and processes.

Unemployment Insurance Modernization

The KDOL UI Modernization Initiative successfully went live in November 2024, marking the fastest-ever implementation of a modernized Unemployment Insurance system. While the modernization effort met its go-live schedule and budget, the project continues to evolve through post-launch stabilization, minor enhancements, and bug remediation. Continuous improvement efforts are in place to ensure optimal system performance and customer experience. KDOL has begun investing into the future of the UI system by creating scanning and intelligent document management which automates paper workflows into the UI system for claimants and employers.

Following the UI system go-live, the infrastructure team has completed the decommissioning and secure archiving of legacy platforms including mainframe and Siebel-based components. Data retention policies are being adhered to, and all historical data is being migrated or archived in alignment with federal and state guidelines.

Although the Unemployment Insurance system successfully went live in November 2024, the agency anticipates continued vendor reliance over the next 12 months for defect remediation, backlog management, and prioritized enhancements identified since go-live. These services are essential to ensure full stabilization and to maximize the long-term value of the system. KDOL IT is currently operating under a vendor-agency *hybrid* software development life cycle (SDLC), which ensures continuity while simultaneously building internal capacity and documenting institutional knowledge for long-term sustainability.

Data Strategy and Business Intelligence

Entering its third year, KDOL's Data Strategy has transitioned from foundational planning into active execution. Efforts include continuous improvement of the Azure-based enterprise data warehouse and refinement of Power BI dashboards to deliver actionable insights across operational and executive levels. Data governance efforts are also being strengthened through improved data cataloging, access controls, and data quality assurance measures. Key initiatives include:

- **Project Pre-Planning and Alignment:** Mapping out the specific projects needed to reach our data strategy goals, ensuring that each initiative is aligned with KDOL's strategic priorities and will drive meaningful outcomes.
- **Ongoing Stakeholder Engagement:** Continued collaboration with stakeholders across all levels to refine

our data strategy, incorporating feedback and adapting to emerging needs.

- **Building on Established Foundations:** Leveraging the insights and frameworks developed in the first year to guide the next phase of implementation, focusing on high-impact business-data cases and targeted improvements.

Parallel to our ongoing data strategy efforts, the agency is modernizing its business intelligence (BI) approach to better serve the agency's evolving needs:

- **Power BI Adoption:** Transitioning to Power BI as our primary tool for data visualization and reporting, enhancing our ability to generate insights and support data-driven decisions.
- **Cloud-Based Data Warehouse:** Migrating to a cloud-based data warehouse to improve scalability, performance, and integration with BI tools, positioning KDOL for future growth.
- **Standardized Reporting and Real-Time Analytics:** Developing standardized reports for key performance indicators (KPIs) and enabling real-time analytics to support faster, more responsive decision-making.
- **User Training and Data Integration:** Ensuring that staff are well-trained in Power BI and that data integration is seamless and reliable, supporting effective use of BI tools.

Artificial Intelligence Initiatives

Building on modernization and data strategy, KDOL is expanding into responsible AI projects.

The IT Division is currently leading three concurrent AI initiatives aligned with the agency's strategic modernization vision:

- **Externally Facing LLM Chatbot:** In development is an AI-powered chatbot integrated with the Unemployment Insurance portal and the Employer UI Tax portal. This tool will offer 24/7 self-service support, answer common claimant and employer questions, and help reduce call center volume.
- **Internal AI Tools for Staff Efficiency:** Pilots are underway using generative AI (LLM) to summarize documents, draft communications, and support internal help desk responses.
- **Fraud Detection Augmentation:** AI-driven analytics are being explored to complement traditional fraud detection tools and identify emerging patterns more rapidly.

These projects are early examples of KDOL's commitment to responsible AI adoption, and they align with statewide innovation and digital government goals.

Enterprise Document Management (EDMS)

As part of our broader data strategy, KDOL continues to explore enterprise document management options. In collaboration with the Records Management Division, KDOL is piloting SharePoint as a centralized document management system. However, technical constraints and service account limitations imposed by the centralized IT provider (OITS) are delaying full adoption. Alternate solutions are being evaluated to ensure that EDMS needs can be met securely, reliably, and in a manner that supports potential future CoPilot integration.

Service Delivery and Workforce Strategy

In the context of our modernization efforts, IT has embraced a new service ethos, operating as a Customer Service Unit committed to delivering exceptional service experiences to multiple customer bases—from agency employees and vendors to Kansas citizens and businesses.

- **Internal Partnerships:** IT serves not merely as a support function but as an integral partner in every division's success, actively engaging in division goals and strategic plans. Relationship-building is key to our shared success.
- **Customer Experience Focus:** End-users are at the center of all tech-related decisions, emphasizing usability, accessibility, and meaningful interactions through our service portals.
- **SLA-Driven Responsiveness and Customer Satisfaction:** Service Level Agreements (SLAs) have been defined and implementation into ServiceNow is underway, setting standards for response times and resolution rates, and driving accountability. Alongside SLAs, surveys are being integrated into the ServiceNow portal to collect real-time feedback, enabling continual refinement of customer service protocols and strategies.

While KDOL has made significant progress in filling key IT roles, certain specialized tasks—particularly related to the new UI platform—continue to require vendor support. These are being addressed under structured knowledge transfer plans and timed hand-offs that will conclude over the next fiscal cycle.

Governance, Risk, and Compliance (GRC)

In an era where data breaches and cybersecurity threats are ever-present, KDOL places paramount importance on governance, regulation, and compliance (GRC). As a steward of confidential and sensitive data—including IRS, SSA, and employment-related information, the agency is obligated to adhere to stringent federal and state regulations.

All modernization efforts are aligned with IRS Publication 1075, SSA security controls, and FedRAMP Moderate baselines. KDOL has implemented Secure Configuration Settings and Enforcement Mechanisms (SCSEMs) for Windows, Linux, and network equipment, and regularly conducts access control audits for privileged accounts.

To ensure constant vigilance over our systems, IT continues to invest in advanced monitoring tools designed to detect unauthorized access, monitor data transfers, and flag potential vulnerabilities in real-time. At the same time, KDOL is actively looking for opportunities to improve and strengthen its monitoring strategy, recognizing that IT departments must remain diligent as threats evolve. While additional compliance management tools are not in place today, KDOL is evaluating future options that could automate tracking of regulatory requirements and generate reports and alerts to support ongoing compliance.

Training in audit protocols and data protection measures continues for IT staff, ensuring the agency is perpetually audit-ready and in a state of continual compliance. These efforts are integrated with modernization initiatives and the redefined role of IT as a strategic partner.

The budget allocations required for these advanced tools, specialized staffing, and training programs are not merely operational expenses but strategic investments in the agency's integrity, public trust, and legal compliance.

Interagency Collaboration

KDOL is actively coordinating secure data-sharing pipelines with partner agencies, including DCF, Commerce, and SSA, through initiatives like CyberFusion, UIQ, and PUPS, enhancing both compliance and service integration.

Project Management Office (PMO) Excellence

KDOL is investing in building one of the finest Project Management Offices in the State of Kansas. The IT Division recognizes that the long-term success of technology initiatives is inseparably linked to the success of the PMO. Quality hires of experienced project managers have brought new depth of expertise and discipline to the agency's project portfolio.

Our PMO is working to streamline the software development life cycle and project management practices using Jira and Confluence. New templates and standardized processes are being created within these tools to ensure consistency, accountability, and transparency across all projects. These templates serve as accelerators, helping teams initiate, plan, execute, and close projects with greater efficiency and alignment to agency goals. By weaving PMO processes into every aspect of IT delivery, KDOL ensures that modernization, data strategy, and service improvements are not only well executed but also sustainable. The IT Division views the PMO as the backbone of its operational maturity, driving measurable results, improving stakeholder satisfaction, and ensuring technology investments deliver maximum value to Kansas citizens.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$3,765,455	\$3,798,766	\$3,816,796
Contractual Services	\$7,124,292	\$13,134,680	\$10,073,752
Commodities	\$9,018	\$6,860	\$7,065
Capital Outlay	\$823,878	\$186,581	\$6,779
Non-Expense Items	\$0	\$127,375	\$124,927

As the IT Division moves to new infrastructure and software platforms, the need for more skilled employees has increased. Over the past couple of years, the IT division has worked hard to find the right staffing with the appropriate skill sets. The salary increase is primarily due to the market adjustments implemented by the 2025 legislature. Contractual services are expected to increase due to the transition from implementation costs to maintenance costs for the modernized unemployment system. Capital outlay is expected to decrease in SFY 2026 to account for stability of the unemployment system and several other updated systems throughout the agency. KDOL has experienced some savings in IT due to decommissioning of software and hardware, however, this savings is then used to enhance other systems to push the agency further in the technology realm. Non-expense items include the expense for indirect cost charges. As IT staff transition from modernization funding back to grant funding for support of the unemployment system, the indirect cost charges are expected to increase.

Enhancement Package

The agency requests \$330,480 in SFY 2027 and annually thereafter to pay for increased data storage fees negotiated by the Office of Information Technology Services. OITS is in the process of negotiating data storage services for the state of Kansas. The cost of this contract contains an additional estimated \$.27 per GB more than the current cost. KDOL estimates this to be an additional cost to the agency of \$27,000 per month plus the 2 percent administrative fee to OITS of \$540 for a total ongoing annual cost of \$330,480.

LABOR MARKET INFORMATION SERVICES (LMIS)

Priority Ranking per

PBB - 4

The Labor Market Information (LMI) operating expenses reflect a continuation of normal operations of collecting and analyzing Kansas data and reporting on all aspects of the Kansas labor market. LMI created a career exploration platform for exposing Kansas students and job changers to Kansas careers, education options and salary expectations across all Kansas workforce areas. Additional content, functionality and enhancements are scheduled as part of future releases.

The LMI division is responsible for collecting, analyzing, reporting and publishing accurate labor market data on economic activities for the state of Kansas in partnership with the U.S. Department of Labor’s Bureau of Labor Statistics (BLS) and Employment and Training Administration (ETA) LMI produces key labor force statistics—including unemployment and labor force participation rates, employment and unemployment levels, and wage data by industry and occupation. LMI also tracks occupational employment trends, identifies in-demand occupations, and provides local labor market data to support workforce development and education initiatives. LMIS also publishes local area labor market information in support of workforce and education.

OBJECTIVE # 1:

The Division compiles special data requests for many customers, including businesses, economic developers, state and local government agencies, and researchers. LMI compiles roughly 350 special data requests each year, with an average turnaround time of one to two days for a typical data request.

Strategies for Objective # 1:

- Maintain effective communication channels with other agency departments to ensure the efficient flow of information.
- Strengthen partnerships with Local Workforce Centers to better serve community needs.
- Continuously improve the content and timeliness of LMI information available on the agency website.
- Develop and promote data products that are informative and easily understood by audiences.
- Establish and maintain procedures for data review and validation to enhance accuracy and reliability.

Performance Measures for Objective # 1:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of requests processed within three days.	97.5	92.7	95.0	95.0
Percent of requests processed in more than three days.	2.5	7.3	5.0	5.0
Percent of requests submitted timely.	100.0	100.0	100.0	100.0
 <u>OUTPUT MEASURES:</u>	 <u>FY 2024</u>	 <u>FY 2025</u>	 <u>FY 2026</u>	 <u>FY 2027</u>
Number of requests received.	356	315	350	350

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$1,210,071	\$1,178,923	\$1,187,793
Contractual Services	\$141,760	\$109,628	\$112,916
Commodities	\$10,847	\$12,141	\$12,506
Capital Outlay	\$16,760	\$19,159	\$19,733
Non-Expense Items	\$100,107	\$1,330,754	\$1,348,690

The increase in salaries is due to the market adjustments implemented by the 2025 legislature. The decrease in contractual services reflects project startup costs in SFY 2025 for a comprehensive data gathering and analysis of career paths, skills sets, and education requirements to produce pathways for unemployed individuals. This Project was named “Today’s Occupations Tomorrow’s Opportunities” - Wizard of Jobs. This project was intended to partner with the Department of Education as well as private organizations to develop helpful websites, questionnaires, and other resources for individuals within the workforce. However, those partnerships did not come to fruition. All other expenses are expected to be stable and reflect normal operations. Non-expense items are made up of a pass-through grant for the Department of Commerce and indirect costs charged to the grants held by LMIS.

Enhancement Package

The agency requests an enhancement package in the amount of \$265,904 in SFY 2027 and annually thereafter to fund the initiative “Today’s Occupations Tomorrow’s Opportunities” - Wizard of Jobs: The TOTO-Wizard of Jobs is an intuitive career coaching site that will engage students early and often in career exploration and planning activities, encouraging discovery of interests and talents, as well as identifying pathways and experiences that lead to real employment opportunities right here in Kansas.

T.O.T.O. provides learners with the self-service tools needed to manage each stage of their career development. It takes a systematic approach to guide students in pathway exploration and preparation for employment. Additionally, T.O.T.O. will support the active guidance of stakeholders vested in student success through the use of staff accounts and ad-hoc reporting tools.

T.O.T.O. hosts the Wizard of Jobs lifestyle budgeting tool, which gives students an idea of how much it really costs to live the way they want to live. Using real Kansas data, students make selections from various categories, including what type of home they want to live in, what their transportation situation would look like, how often they want to eat out, what activities they’d want to engage in, etc. Wizard of Jobs takes these selections and estimates the salary needed to maintain their desired lifestyle. Students can then use this salary estimate to guide their career search for jobs that pay enough to support them.

Performance Measures for Unemployment Claims:

Description	SFY 2024	SFY 2025	SFY 2026	SFY 2027
Average weeks of duration	11.0	10.5	13.6	13.7
Number of exhaustions	8,317	11,076	18,693	19,178

* The rise in weeks of duration can be attributed to a major employer in Kansas undergoing a re-tooling process, which caused claimants to exhaust their full benefits.



Department of Labor
 Labor Market Information
 401 SW Topeka Blvd, Topeka, KS 66603
 785.296.5000
KDOL.Laborstats@ks.gov
www.dol.ks.gov

Date: September 2, 2025
 To: Dawn Palmberg
 Chief Financial Officer
 From: Angela White
 Labor Market Information
 Subject: FFY 2026 Workloads

The following information has been provided per your request for FFY 2026 estimated workload levels.

Kansas Unemployment Insurance ^{1/}

	FFY 2026 Total	4th Qtr. 2025	1st Qtr. 2026	2nd Qtr. 2026	3rd Qtr. 2026
Initial Claims	120,351	29,845	30,050	30,185	30,271
Weeks Claimed	802,428	197,889	200,182	201,695	202,662
Nonmonetary Determinations	76,038	18,968	19,003	19,026	19,041
Appeals Dispositions	11,373	2,829	2,841	2,849	2,854

Pandemic Unemployment Assistance (PUA)

	FFY 2026 Total	4th Qtr. 2025	1st Qtr. 2026	2nd Qtr. 2026	3rd Qtr. 2026
Initial Claims	0	0	0	0	0
Weeks Claimed	0	0	0	0	0
Nonmonetary Determinations*	0	0	0	0	0
Appeals Dispositions	0	0	0	0	0

*Nonmonetary Determinations are not tracked in the PUA program (no federal reporting requirements)

Pandemic Emergency Unemployment Compensation (PEUC) ^{1/}

	FFY 2026 Total	4th Qtr. 2025	1st Qtr. 2026	2nd Qtr. 2026	3rd Qtr. 2026
Initial Claims	0	0	0	0	0
Weeks Claimed	0	0	0	0	0
Nonmonetary Determinations	0	0	0	0	0
Appeals Dispositions	0	0	0	0	0

Extended Benefits (EB) ^{1/}

	FFY 2026 Total	4th Qtr. 2025	1st Qtr. 2026	2nd Qtr. 2026	3rd Qtr. 2026
Initial Claims	0	0	0	0	0
Weeks Claimed	0	0	0	0	0
Nonmonetary Determinations	0	0	0	0	0
Appeals Dispositions	0	0	0	0	0

^{1/} Includes KUI, UCFE, and UCX.

KANSAS ACTUAL CLAIMS WORKLOADS
All Programs ^{1/}

Regular Benefits	SFY 2025
Initial Claims	72,791
Weeks Claimed	440,851
Nonmonetary Determinations	76,739
Appeals Dispositions	8,136

^{1/} Includes KUI, UCFE, and UCX.

KANSAS CLAIMS WORKLOAD PROJECTIONS
All Programs ^{1/}

Regular Benefits	SFY 2024	SFY 2025	SFY 2026*	SFY 2027*
Initial Claims	72,826	72,791	119,630	121,426
Weeks Claimed	381,479	440,851	794,350	814,475
Nonmonetary Determinations	62,557	76,739	75,915	76,224
Appeals Dispositions	7,680	8,136	11,329	11,436

*Projected data

Projections for SFY 2026 are based on an estimated average employment of 1,491,383 and an estimated unemployment rate of 3.9 percent. Projections for SFY 2027 are based on an estimated average employment of 1,491,623 and an estimated unemployment rate of 4.0 percent.

^{1/} Includes KUI, UCFE, and UCX.

KANSAS ESTIMATED ALLOWANCE PAYMENTS
IN SELECTED PROGRAMS

Item	SFY 2023	SFY 2024	SFY 2025	SFY 2026*	SFY 2027*
Unemployment Insurance Payments	\$112,854,906	\$134,514,666	\$162,017,504	\$227,295,975	\$232,986,655
State	\$93,604,780	\$133,439,058	\$154,202,593	\$225,580,001	\$231,227,718
UCFE	\$587,743	\$712,148	\$481,540	\$1,083,532	\$1,110,660
UCX	\$359,134	\$470,763	\$410,594	\$632,443	\$648,277
Employer Contributions.....	\$290,493,762	\$230,205,283	\$165,453,977	\$202,175,981	\$196,236,187

KANSAS ESTIMATED ALLOWANCE PAYMENTS
IN SELECTED PROGRAMS

Item	SFY 2023	SFY 2024	SFY 2025	SFY 2026*	SFY 2027*
PEUC.....	\$1,965,111	\$698,591	\$79,616	\$0	\$0
EB.....	\$59,586	\$11,237	\$0	\$0	\$0
PUA.....	\$3,702,193	\$1,133,095	\$66,028	\$0	\$0
FAC.....	\$0	\$0	\$0	\$0	\$0
FPUC.....	\$7,390,708	\$2,307,688	\$179,370	\$0	\$0
LWAP.....	-\$73,526	-\$21,137	\$0	\$0	\$0
MEUC.....	\$10,544	\$0	\$0	\$0	\$0

KANSAS CLAIMS WORKLOAD PROJECTIONS
 Pandemic Unemployment Assistance (PUA)

<u>PUA Benefits</u>	<u>SFY 2024</u>	<u>SFY 2025</u>	<u>SFY 2026*</u>	<u>SFY 2027*</u>
Initial Claims	1	0	0	0
Weeks Claimed	5,628	234	0	0
Nonmonetary Determinations**	0	0	0	0
Appeals Dispositions	4,878	570	0	0

*Projected data

KANSAS CLAIMS WORKLOAD PROJECTIONS
 Pandemic Emergency Unemployment Compensation (PEUC), All Programs ^{1/}

<u>PEUC Benefits</u>	<u>SFY 2024</u>	<u>SFY 2025</u>	<u>SFY 2026*</u>	<u>SFY 2027*</u>
Initial Claims	10	0	0	0
Weeks Claimed	262	0	0	0
Nonmonetary Determinations	1	0	0	0
Appeals Dispositions	11	0	0	0

^{1/} Includes KUI, UCFE, and UCX.
 *Projected data

KANSAS CLAIMS WORKLOAD PROJECTIONS
 Extended Benefits (EB), All Programs ^{1/}

<u>EB Benefits</u>	<u>SFY 2024</u>	<u>SFY 2025</u>	<u>SFY 2026*</u>	<u>SFY 2027*</u>
Initial Claims	0	0	0	0
Weeks Claimed	3	0	0	0
Nonmonetary Determinations	0	0	0	0
Appeals Dispositions	0	0	0	0

^{1/} Includes KUI, UCFE, and UCX.

*Projected data

Selected UI Data
SFY 2026 - 2027

	State Fiscal Year				
	SFY 2023	SFY 2024	SFY 2025	SFY 2026*	SFY 2027*
Trust Fund Balance**	\$1,299,464,339	\$1,443,451,406	\$1,488,942,841	\$1,516,315,900	\$1,532,623,018
Contributions	\$290,493,762	\$230,205,283	\$165,453,977	\$202,175,981	\$196,236,187
Average Weeks of Duration	10	11.0	10.5	13.6	13.7
Number of Exhaustions	7,680	8,317	11,076	18,693	19,178

*Projected data

** End of fiscal year balance which includes Trust Fund loan amount (currently no Trust Fund loan)

State Fiscal Years 2023 - 2027

	Actual			Projected	
	SFY 2023	SFY 2024	SFY 2025	SFY 2026*	SFY 2027*
Civilian Labor Force (thousands)	1,516,752	1,532,012	1,554,188	1,552,429	1,553,451
Employment	1,473,379	1,484,055	1,495,233	1,491,383	1,491,623
Unemployment	43,372	47,957	58,955	61,046	61,827
Rate (Percent)	2.9%	3.1%	3.8%	3.9%	4.0%
Covered Employment (thousands)	1,382,155	1,396,122	1,405,868*	1,411,767	1,415,387
Insured Unemployment					
Weekly Average	6,531	7,336	8,478	15,276	15,663
Rate (Percent)	0.3	0.4	0.6	1.1	1.1
Separation Rate (Percent)	0.4	0.4	0.4	0.7	0.7

*Projected data

METHODOLOGY FOR DEVELOPING PAYMENT & WORKLOAD ACTIVITY

Payment and workload activity is projected for the state fiscal years (SFY) 2026, and 2027. The state fiscal year runs from July to June, for example the 2025 SFY starts July 2024 and ends June 2025. All projections implement some form of time series model. The majority of the relationships established between variables are linear regressions which are run within the model using the least square methodology.

Since regression analysis is the basis for projecting a number of the Projection Program variables, it must be remembered that this technique presupposes that relationships, which have existed in the past, will continue to exist in the future. However, this may not always be the case, as the degree of the relationships may be changing over time, or may change abruptly if changes occur in the Unemployment Insurance program itself.

For calculating the Federal (UCFE) and Military (UCX) payments, we estimated the proportion of these payments to total benefit payments and assumed that the proportions would remain fairly constant over the projected years

Regular benefit payments, are projected using the number of individuals receiving benefits, average duration of unemployment benefits, and the insured unemployment rate. The model also utilizes historical benefit payment amounts.

The historical and base year data for the Unemployment Insurance Payments line of the Claims workload sheet comes directly from Fiscal. The three underlying lines (State, UCFE, and UCX) come from the IT reporting system. State, UCFE, and UCX

UNEMPLOYMENT INSURANCE PROGRAM

Priority Ranking per PBB - 1

The Division of Unemployment Insurance (“UI”) is tasked with administering the Kansas Employment Security Law, K.S.A. 44-701 *et seq.* The stated public policy of the employment security law is to help alleviate the impact of economic insecurity for those Kansas workers who find themselves involuntarily unemployed.

The UI program is based upon federal law but administered by state employees under state law. Because of this structure, the program is unique among the country’s social insurance programs. UI is also unique in that it is almost totally funded by employer taxes, either federal or state.

Federal law defines certain requirements for the program. The Social Security Act (“SSA”) and the Federal Unemployment Tax Act (“FUTA”) set forth broad coverage provisions, some benefit provisions, the federal tax base and rate, and administrative requirements. The major functions of the federal government are to:

- Ensure conformity and substantial compliance of state law, regulation, rules, and operations with federal law.
- Determine administrative fund requirements and provide money to states for proper and efficient administration.
- Set broad overall policy for administration of the program, monitor state performance, and provide technical assistance as necessary.
- Hold and invest all money in the unemployment trust fund until drawn down by states for the payment of compensation.
- Kansas designs its own UI program within the framework of the federal requirements. The state employment security law sets forth the benefit and tax structures (e.g., state taxable wage base, tax rates and weekly benefit amounts). The primary functions of the Kansas UI program are the following:
 - Administer the program in accordance with state and federal requirements.
 - Take claims from individuals, determine eligibility, and ensure timely and accurate payment of benefits to workers when payment is appropriate.
 - Accurately determine employer liability and assess and collect employer taxes or “contributions.”
 - Ensure that both claimants and employers are afforded due process through an unbiased and timely appeals process.
 - Ensure the ongoing integrity of the Kansas unemployment trust fund by preventing, detecting, and prosecuting all manners of unemployment fraud and worker misclassification.
 - Provide prompt, courteous, and professional customer service to citizens of the State of Kansas who interact with the UI program.

As of the week ending June 30, 2025, the Kansas unemployment trust balance available for benefits was \$1.488 billion. Note: this amount does not include Reed Act money held in the trust fund.

The UI program has four primary goals moving forward. First, to continue to improve and enhance the levels of customer service provided to Kansas employers and workers who interact with the agency. Second, continue to build upon recent successes in meeting and exceeding federally mandated program performance standards. Third, continue to work with the Office of Information Technology Services to make improvements in the existing technology platforms that support the unemployment system in Kansas. Fourth, continue to meet the Secretary’s mandate to protect the integrity of the unemployment insurance trust and ensure necessary funds are available to provide reemployment assistance to unemployed Kansans who meet the legal requirements to receive them.

OBJECTIVE # 1:

The UI program will provide unemployment benefits to those eligible, qualified and monetarily entitled claimants in a timely manner.

Strategies for Objective # 1:

- Continued emphasis on the training of KDOL benefits staff.
- Continued emphasis on measurable performance and accountability for KDOL benefits staff.

Performance Measures for Objective # 1*:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of intrastate claimants to be issued first payments within 14 days.	76.28	75.58	76.0	80.0
Percent of intrastate non-separation nonmonetary determinations issued within 21 days from the date that benefit eligibility issues are first detected.	83.39	75.38	80.00	81.0

<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of initial claims filed for benefits.	72,826	72,790	82,900	95,000
Number of weeks claimed filed for benefits.	381,479	440,851	497,400	570,000
Number of weekly claims filed via telephone utilizing the voice response system and via the internet.*	343,331	416,179	447,660	513,000

*The above measures include regular UI, UCFE and UCX programs only.

*The system now has Internet Self Service, IVR, and Mobile filing. The FY 25 reflects totals for all three of these self service options.

OBJECTIVE # 2:

The Unemployment Insurance program will promptly and accurately collect, deposit and audit employer contributions.

Strategies for Objective # 2:

- Continued emphasis on measurable performance and accountability for KDOL tax staff.
- Continue to provide employers with multiple options for paying their contributions with the use of a credit card or by electronic check.

Performance Measures for Objective # 2:

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
<u>OUTCOME MEASURES:</u>				
Percent of checks deposited within three days of receipt.	100.0	100.0	100.0	100.0
Percent of all employers filing reports by the end of the quarter.	94.2	95.2	95.0	96.0
Percent of all employers audited within the year.*	1.3	0.7	1.1	1.2
Percent of determinations of employer liability made within 180 days. *	93.0	88.0	90.0	91.5
<u>OUTPUT MEASURES:</u>				
Number of tax audits conducted.*	1,052	678	950	980
Amount of employer contributions. *	230.2M	165.4M	200.0M	225.0M

*In FY25, KDOL’s UI transition to a modernization platform resulted in a two-quarter delay in audit production and status determinations of employer liability made within 180 days. Contributing factors included the need to allocate all available staff to assist employers with filing quarterly wage reports during the transition, as well as delays in establishing full integration between our audit software and the new platform.

*The FY25 decrease in contributions resulted from the addition of a 0% rate group to the rate schedule and the 2025 calendar year experience rating was in a credit schedule with rate groups 0–3 all at 0%. In FY26 and FY27, increases to the employer taxable wage base are projected to generate higher contributions. Referenced in HB 2570 and KSA 44-710a.

OBJECTIVE # 3:

The Unemployment Insurance program will improve the quality of determinations and decisions made throughout the benefit appeal process.

Strategies for Objective #3:

- KDOL is conducting a review of its claims-related training procedures.
- KDOL is developing a more robust internal quality control process.
- Continued communication between appeal levels concerning consistent legal interpretation.

Performance Measures for Objective # 3*:

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
<u>OUTCOME MEASURES:</u>				
Percent of nonmonetary determinations passing quality standards.	70.0	70.0	75.0	75.0
Percent of lower authority appeals that pass quality standards.	95.0	80.0	90.0	90.0

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

Average age in days of pending lower authority appeals.	43.2	30.0	28.0	28.0
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<u>OUTPUT MEASURES:</u>	FY 2024	FY 2025	FY 2026	FY 2027
Number of nonmonetary determinations processed.	62,557	81,404	81,740	82,658
Number of appeals decided.	7,447	8,863	8,900	9,000

*The above measures include regular UI, UCFE and UCX programs only.

OBJECTIVE # 4:

A comprehensive field audit program is vital to the unemployment insurance tax program. When combined with the Agency's other activities the audit program provides an effective and essential means of ensuring employer compliance with the provisions of the Kansas Employment Security Law. The Unemployment Tax Audit program has the following strategies for Kansas to detect, investigate and prosecute misclassification of workers.

Strategies for Objective # 4:

- Ensure employer compliance with the taxing provisions of the law; proper reporting of employee-employer relationships
- Promote employer knowledge and understanding of their requirements under the law
- Maintain a mutually beneficial employer-Agency relationship.
- Performance Measures for Objective # 4:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of identified misclassified workers	3,268	2,451	3,000	3,200
Percent in change per audit investigated.	7.3%	3.5%	7.0%	7.6%

<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of Employer Audit Appeals.	13	7	16	18

**Number of Tax Audits Conducted, refer to Objective # 2.

*** In FY 24 KDOL UI Tax added 3 misclassified auditors who work targeted audits. Targeted audits are initiated based on tips received from other agencies, individuals or in a response to unemployment claims where no wages were reported. By assigning staff specifically to these types of audits, KDOL UI Tax has been able to manage the audit volume effectively and make necessary determinations timelier.

Please note that while there are separate divisions within the Unemployment Insurance program, they are not subprograms but rather structural units that encompass specific UI functional work activities performed within the total operation of the UI program grant.

Records Management and the UI Division Director budgets fall under Administration, however, at the agency level they are both functions of unemployment insurance and were not included in the Administration budgets above.

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Division of the Budget

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Records Management

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$617,071	\$475,762	\$421,062
Contractual Services	\$49,579	\$49,827	\$51,322
Commodities	\$1,203	\$1,239	\$1,276
Capital Outlay	\$294	\$854	\$880
Non-Expense Items	\$1,041	\$55,950	\$48,338

Expenses for records management reflect normal operations. The decrease in salaries is primarily due to an expected decrease in staff needed due to the updated unemployment insurance system. Many of the processes in this division were manual and have transitioned to more automated processes with the UITE system. The increase in non-expense items is a result of the shift in salaries changing from modernization funding back to the UI grant and reflects the expense for indirect costs.

UI Division Directors

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages	\$522,485	\$546,101	\$547,330
Contractual Services	\$42,106	\$93,751	\$2,589,854
Commodities	\$773	\$796	\$820
Capital Outlay	\$77	\$79	\$81
Non-Expense Items	(\$2,367)	\$64,221	\$62,833

The increase in contractual services is primarily due to shifting expenses from the UI administrative grant to penalty and interest funds to cover the decrease in the FFY 2026 grant of \$2,000,000 and the predicted decrease in grant funding in SFY 2027. The decrease in the administrative grant is due to a decrease in projected workloads at the federal level. The increase in non-expense items is a result of the shift in salaries changing from modernization funding back to the UI grant and reflects the expense for indirect costs.

Unemployment Insurance

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$14,586,319	\$14,362,661	\$14,293,073
Contractual Services	\$2,780,419	\$2,832,964	\$431,787
Commodities	\$72,762	\$83,691	\$86,188
Capital Outlay	\$9,492	\$11,273	\$11,610
Other Assistance	\$154,150,520	\$225,580,001	\$231,227,718
Non-Expense Items	\$3,212,452	\$1,689,048	\$1,640,845

Salaries and wages are expected to decrease during SFY 2026 and SFY 2027 due to the efficiencies recognized through the unemployment modernized system. As the public and the agency learn and understand the new system, it is anticipated that less staff will be needed in future years.

Contractual services decrease due to shifting expenses from the unemployment grant to penalty and interest funds to cover the decrease in the FFY 2026 grant of \$2,000,000 and the predicted decrease in grant funding in

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SFY 2027. The decrease in the administrative grant is due to a decrease in projected workloads at the federal level. Unemployment benefit payments are predicted to increase in SFY 2026 and in SFY 2027. The increase in non-expense items is a result of the shift in salaries changing from modernization funding back to the UI grant and reflects the expense for indirect costs.

INDUSTRIAL SAFETY AND HEALTH PROGRAM

Priority Ranking per

PBB - 3

The Division of Industrial Safety and Health manages a variety of safety and health programs. The Division consists of a Director, a Deputy Director, five supervisors, three industrial hygienists, seven safety consultants, one amusement ride auditor, one safety training manager, and three administrative staff members.

The Kansas 21(d) Consultation Program is partially funded by a federal grant. During FY 2025, 331 safety and health consultations were conducted for businesses in Kansas, identifying 864 serious, and 482 hazards that were abated onsite by the employers with the consultant's recommendations. Hazards identified are in a variety of industries including construction, manufacturing facilities, and grain handling facilities. The consultation visits are complex in nature and require the consultants to identify and classify safety and health hazards and give clients appropriate abatement assistance to eliminate the hazards. Training and education assistance is also offered to employers. The Safety Training Manager conducted the OSHA 10-hour training class to 8 employers with a total of 95 employees trained.

The Kansas Safety and Health Achievement Recognition Program (SHARP) is one of the national leaders for highest number of workplace establishments in SHARP under State and Federal OSHA jurisdiction. Kansas currently has 149 active SHARP sites, with 5 new sites awaiting approval. Companies approved for SHARP have exemplary safety and health programs, low injury rates, and go above and beyond OSHA and other regulatory requirements.

In the Public Sector Program, the Division is responsible for safety and health related issues associated with public entities in the state through K.S.A. 44-636. These entities consist of cities, counties, Unified School Districts (USD) and water districts. In the State Workplace Health and Safety Program, the Division investigates safety and health related issues associated with all Kansas state agencies through K.S.A. 44-575(f). During FY 2025, 228 public and state organizations were inspected covering 1,193 locations and yielding 2,252 hazards. The Safety Training Manager conducted the OSHA 10-hour training class to 9 Public Sector entities with a total of 266 employees trained.

Through the Accident Prevention Program, the Division gathers information on insurance companies providing workers compensation insurance within the state to ensure they provide accident prevention programs, upon request of the covered employer as required in K.S.A. 44-5,104. In FY 2025, 191 policies were reviewed under this program.

The Division is also responsible for administration and enforcement of the Kansas Amusement Ride Act. The Amusement Ride Safety unit is responsible for registering amusement ride entities, issuing amusement ride permits, and conducting compliance audits. In FY 2025, the amusement ride unit conducted 53 compliance audits of amusement ride entities operating in Kansas while also issuing 1,492 ride permits.

The goal of the Industrial Safety and Health Division is to reduce the frequency and severity of workplace injuries and illnesses by (1) providing free safety and health consultation services under a cooperative agreement with OSHA for private sector employers and employees; (2) identifying and abating workplace safety and health hazards in public sector establishments under K.S.A. 44-636; (3) working with insurance companies and group-funded, self-insured plans to promote compliance with the accident prevention requirement of the Workers Compensation Law, K.S.A. 44-5,104; (4) carrying out safety and health work for the state Workers Compensation program in partnership with the Department of Administration's State Self-Insurance Fund; and (5) auditing and evaluating documentation of amusement ride operations within the State of

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Kansas, pursuant to the Kansas Amusement Ride Act. K.S.A. 44-1601 et seq.

OBJECTIVE # 1:

The Industrial Safety and Health Division provides free OSHA consultation services to Kansas employers in the private sector upon request. Under a cooperative agreement grant with the U. S. Department of Labor, Occupational Safety and Health Administration, the state is required to match the Federal allocation on a ratio of at least 10% State Funds.

Strategies for Objective # 1:

- To assist and encourage employers in their efforts to assure safe and healthful workplaces in Kansas.
- To maintain the availability of on-site consultation services pursuant to the federal contract.
- To encourage employers to develop, use and maintain workplace safety and health plans related to the nature of the employment.
- To provide training and education efforts regarding workplace safety and health to employers, employees, and the general public.
- To promote the training and consultation services offered by the agency.

Performance Measures for Objective # 1:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of Consultation Requests that were Performed Under the Federal Consultation Contract	100	100	100	100
Percent of Serious Hazards Identified that Have Been Corrected *	100	100	100	100

* The Federal Consultation Contract requires KDOL to have a commitment from the employer to correct all serious hazards before the on-site consultation is performed.

<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of Consultations Performed Under the Federal Contract	354	331	300	300
Number of Serious or Imminent Hazards Identified (Federal)	1580	864	1,200	1,200
Number of Educational Seminars, Program Assistance & Presentations Performed	48	50	50	50

OBJECTIVE # 2:

The Industrial Safety and Health Division will maintain safety and health hazard identification and abatement efforts of public sector workplaces in Kansas under authority of K.S.A. 44-636 and pursuant to the partnership with the Department of Health and Environment’s State Self-Insurance Fund.

Strategies for Objective # 2:

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- To maintain an effective compliance inspection program in public sector employment.
- To provide public sector employers information, education and training, materials, and technical assistance in the field of occupational safety and health.
- To investigate serious/fatal injuries to public employees to determine cause and identify measures required to prevent reoccurrence.
- To take necessary and appropriate actions when knowing or willful acts occur causing injury to public employees.

Performance Measures for Objective # 2:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of Planned Inspections Completed	100	100	100	100
Percent of Total Visits that are for Training and Assistance	2	2	1	2
Percent of Total Visits that are for Accident Investigation	1	1	1	1
Percent of Serious Hazards Abated	100	100	100	100
 <u>OUTPUT MEASURES:</u>	 <u>FY 2024</u>	 <u>FY 2025</u>	 <u>FY 2026</u>	 <u>FY 2027</u>
Number of Public Sector Inspections Made	293	242	228	240
Number of Worksites Inspected	1,552	1,073	1,193	1,300
Number of Hazards Identified	2,934	2,103	2,000	2,000
Number of Employees Subjected to Identified Hazards	34,591	18,360	30,000	22,000
Number of Investigations of Serious or Fatal Injuries	1	3	1	1

OBJECTIVE # 3:

The Industrial Safety and Health Division will review insurance companies and group-funded self-insured's providing accident prevention services to their insured employers and inspect such services provided to determine and assure that adequate services are provided. Additionally, provide safety services to employers that identify hazards found during the determination of adequacy of accident prevention services.

Strategies for Objective # 3:

- To maintain a professional relationship with business and insurance entities, related to safety and health in the workplace.
- To review reports, qualifications and performance of insurance field representatives providing accident prevention services in accordance with K.S.A. 44-5,104.
- To conduct visits of employer worksites to determine the completeness and accuracy of the hazard

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identification resulting from accident prevention services.

- To discuss with employers those factors related to hazards identified or not identified by accident prevention services.
- To provide training and education to insurance entities and employers related to hazard identification and removal.

Performance Measures for Objective # 3:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of Policies Reviewed with Proper Notice	79	79	80	80
Percent of Policyholders Listed Aware of Services	81	79	80	80
 <u>OUTPUT MEASURES:</u>	 <u>FY 2024</u>	 <u>FY 2025</u>	 <u>FY 2026</u>	 <u>FY 2027</u>
Number of Employer Job Sites Visited	1,388	1,524	1,500	1,500
Number of Hazards Identified at Employer Sites *	3,056	3,116	3,000	3,000
Number of Employees Exposed at Job Sites	31,029	29,154	35,000	35,000

OBJECTIVE # 4:

The Industrial Safety and Health Division will review amusement ride owner documentation and conduct on-site compliance audits of amusement ride operations to determine and assure that all requirements of the Kansas Amusement Ride Act are met.

Strategies for Objective # 4:

- To maintain a professional relationship with amusement ride owners and operators, related to complying with the Amusement Ride Act.
- To review maintenance, inspection, training, and operations program documentation in accordance with the Kansas Amusement Ride Act, K.S.A. 44-1601. Verify qualifications of inspectors in Kansas.
- To conduct on-site audits of amusement ride locations to determine compliance with the law.
- To provide training and education to amusement ride employers related to the amusement ride act.

Performance Measures for Objective # 4:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of Owners Registered as an Amusement Ride Owner	100	100	100	100
Percent of Projected Permits to be Issued	100	100	100	100

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<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of Projected Registered Amusement Ride Owners	177	175	175	175
Number of Projected Permits Issued	1,554	1,492	1,500	1,500
Number of Projected Audits Conducted	131	53	75	100

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$1,518,036	\$1,576,134	\$1,589,674
Contractual Services	\$308,176	\$366,340	\$463,381
Commodities	\$62,745	\$64,627	\$66,566
Capital Outlay	\$1,542	\$301,588	\$1,636
Non-Expense Items	\$135,034	\$160,863	\$158,394

The increase in salaries is due to the market adjustments implemented by the 2025 legislature. Contractual services and capital outlays are expected to increase due to continued improvements to software applications for the amusement ride program and accident prevention within this division. In SFY 2026, our IT team will develop an accident prevention program for tracking and reporting programmatic activities. This is the reason for the increase in capital outlay in SFY 2026. Non-expense items are comprised of indirect charges to the various programs within ISH.

WORKERS COMPENSATION PROGRAM

Priority Ranking per

PBB - 2

The role of the Division of Workers Compensation in the overall operations of the Kansas Department of Labor is to administer and enforce the provisions of the Kansas Workers Compensation Act, K.S.A. 44-501 et seq. The Division of Workers Compensation’s primary functions under the Act include:

- Administration of a statewide administrative judicial system for adjudication of workers compensation claims
- Regulatory oversight, including employer compliance with mandatory workers compensation insurance coverage
- Maintenance of records and statistics for the Division’s units and courts
- Establishment and publication of a medical fee schedule for care involving injured workers; and the investigation and prosecution of fraudulent and abusive conduct.

The Division of Workers Compensation has offices in Topeka, Wichita, Lenexa, Salina and Garden City. The Workers Compensation Division has required electronic filing of reports of workplace accidents since 2013. All employers, insurance carriers and third-party administrators electronically file these accident reports via the Electronic Data Interchange (EDI) system. This has eliminated the manual processing of over 50,000 annual paper incident reports handled by the Division previously.

The EDI system was the first implementation of the Division’s strategic goal to move to a fully digital/paperless operation. The second part of that goal was implemented in November 2018, when the Online System for Claims and Research/Regulation (OSCAR) became operational.

The OSCAR system has allowed the administrative judicial system of the Workers Compensation Division to become a fully digital, paperless operation. Correspondence between the administrative law judges and parties, as well as exhibits, hearing transcripts and deposition transcripts, are uploaded to the system. Regulatory filings are also done in OSCAR including self-insurance permitting, paid loss reports, and assessment invoicing and payments. In addition, we have digitized case files from January 2011 to present.

On the same day that OSCAR went live, a new release of the EDI system, Release 3.1, was implemented to better support the OSCAR system. Both systems work together to ensure that quality information and services are provided to injured workers, employers and insurers in an efficient and positive manner, as outlined in Chapter 44 of the Kansas Statutes Annotated.

OBJECTIVE # 1:

Workers Compensation Services will expedite the process to resolve benefit disputes for current and future workers compensation claims.

Strategies for Objective # 1:

- Process applications for benefits, preliminary hearings and post-award claims in a timely and efficient manner.
- Provide timely hearings on applications for preliminary hearings, pre-trial settlement conferences, regular hearings, and post-award motions.
- Issue orders or awards within 30 days of the date of presentation of all evidence, or in the case of

preliminary hearing, issue an order within 5 days of the hearing.

- Provide written detailed opinions with findings of fact and conclusions of law.
- Hold appeal hearings in convenient regions of the state where practical to do so.
- Provide timely hearings on applications for appeals to the Workers Compensation Appeals Board.
- Have the Board issue a written order containing full findings of facts and conclusions of law within 30-60 days after oral argument of the case.
- Schedule mediation conferences within 14 days after receipt of the request for mediation.
- Mediate and resolve disputed issues by mutual agreement of the parties.
- Produce written agreements on successfully mediated issues for signature by all parties to the agreement.
- Conduct mediation conferences, when requested, before the scheduled preliminary hearing or regular hearing.

Performance Measures for Objective # 1:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Average number of days between the time an application for benefits is filed and the time an award is issued (for all claims issued an award during the fiscal year).	1,088	937	937	937
Number of preliminary hearings held during the fiscal year.	965	873	873	873
Number of regular hearings held during the fiscal year.	385	441	441	441
Number of appeals filed in the fiscal year.	116	122	122	122
Number of pre-hearing settlement conferences held during the fiscal year.	1,831	1,875	1,875	1,875

OBJECTIVE # 2:

Workers Compensation Services will develop and administer cost saving provisions of the Workers Compensation Act which will help stabilize workers compensation rates by ensuring workers compensation benefits are delivered in a cost effective and efficient manner and investigating and reporting suspected non-compliance and fraud and abuse within the workers compensation system.

Strategies for Objective # 2:

- Conduct utilization and peer reviews of medical costs in individual cases.
- Monitor compliance with the medical fee schedule.
- Report on the effect of utilization review and the medical fee schedule as cost containment measures for workers compensation in Kansas.
- Develop programs and fee schedules which will help contain medical cost growth.
- Direct or assist with investigation of and administrative or criminal prosecution of fraudulent or abusive acts which constitute crimes or administrative violations under State or Federal law.
- Direct or assist with investigation of noncompliance issues.

Performance Measures for Objective # 2:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Average number of days from initial report of fraud or abuse to investigation completion (for all investigations completed during the fiscal year).	53	51	51	51
Number of cases investigated for fraudulent or abusive acts that closed within the fiscal year.	344	377	377	377
Number of employers contacted about missing workers compensation insurance coverage during the fiscal year.	337	290	290	290

OBJECTIVE # 3:

Workers Compensation Services will provide accurate and timely information responsive to administrative, legislative and public information needs.

Strategies for Objective # 3:

- Collect and compile accurate Workers Compensation claims history for injured workers, employers, insurance carriers and attorneys.
- Maintain a database of information on accident and related data, claim characteristics and costs.
- Plan, implement and oversee computerization within the Division.
- Compile statistics and perform research on aspects of workers compensation in Kansas.
- Plan, design and implement an electronic data transmission system.
- Publish an annual statistical report for Workers Compensation in Kansas.
- Publish research findings, articles and reports on points of interest for Workers Compensation in Kansas.
- Provide efficient document processing required by the Workers Compensation Act.

Performance Measures for Objective # 3:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of accident reports processed electronically during the fiscal year.	49,912	48,021	48,021	48,021
Average number of days to respond to information requests that are received during the fiscal year.	1	1	1	1
Number of information requests received during the fiscal year.	17,044	16,100	16,100	16,100
Average number of days to process election options that are received during the fiscal year.	5	7	7	7

OBJECTIVE # 4:

Workers Compensation Services will regulate the issuance of self-insurance permits according to current Kansas

Statute and regulations and manage the Accounting and Business Section.

Strategies for Objective # 4:

- Review initial applications and renewal applications for individual self-insureds in Kansas.
- Process the collection of Workers Compensation Fee Fund assessment for the Division before June 30th of each year.
- Conduct office business functions of supply, inventory, and budget efficiently and economically.

Performance Measures for Objective # 4:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of individual self-insurance permits at the end of the fiscal year.	85	83	83	83
Number of assessments generated from paid loss reports that were paid late in the fiscal year.	91	76	76	76

OBJECTIVE # 5:

Workers Compensation Services will assist workers compensation claimants and other parties calling the Division’s Ombudsman hotline at 1-800-332-0353 or (785) 296-4000.

Strategies for Objective # 5:

- Provide information to injured workers and other concerned parties relating to the Kansas Workers Compensation Act.
- Attempt to solve issues that injured workers may have with individual workers compensation claims.
- Investigate reported issues that injured workers have with the workers compensation system within 48 hours of receiving the request for assistance.
- Provide carrier information and status of workers compensation claims to all parties concerned.
- Provide training and workshops to interested parties.

Performance Measures for Objective # 5:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Average number of days to respond to requests for assistance with claims for all requests received in the fiscal year.	1	1	1	1
Number of logged contacts with individuals needing assistance with workers compensation issues during the fiscal year.	355	992	992	992
Number of participants attending presentations by Ombudsman unit for presentations given during the fiscal year.	55	55	55	55

OBJECTIVE # 6:

A Workers Compensation Seminar is conducted annually to highlight the latest in workers compensation statutory changes, case law, technology, products and services. Each year hundreds of attendees are given the opportunity to speak “first-hand” with staff members and medical and legal professionals considered to be setting the trends in the field of workers compensation. Attorneys, nurses, case managers and others receive continuing education credits. The seminar continues to be the most cost-effective Workers Compensation Seminar in Kansas.

Strategies for Objective # 6:

- Effectively and efficiently provide up-to-date information relevant to workers compensation in Kansas.
- Create a forum for an exchange of ideas between medical and legal professionals and others practicing in the field of workers compensation.
- Provide exhibit space for industry leaders to meet face to face, demonstrate and discuss workers compensation related programs, products and services.
- Preapprove continuing education credits for attorneys licensed in Kansas and Missouri, nurses licensed in Kansas such as APRN, RN and LPN’s and Kansas and certified case managers.

Performance Measures for Objective # 6:

<u>OUTPUT MEASURES</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Total number of attendees at the Workers Compensation Seminar.	355	355	355	355
Total number of attendees at the seminar who received legal continuing education credits.	188	140	140	140
Total number of attendees at the seminar who received nursing continuing education credits.	35	35	35	35
Total number of attendees at the seminar who received case manager continuing education credits.	33	33	33	33
Total number of exhibitors at the Workers Compensation seminar.	80	80	80	80

The Kansas Workers Compensation Act, K.S.A. 44-501 et. Seq. is self-contained, no-fault legislation which requires most employers operating in Kansas to provide benefits in the form of wage replacement, medical treatment and compensation for permanent injury to employees who suffer injury or diseases arising out of and in the course of employment.

Workers’ compensation laws grew in the United States because of the Industrial Revolution and the subsequent movement of society from rural agrarian to urban industrial. In the first part of the twentieth century, individual state legislatures began adopting different workers compensation programs with different coverage and benefit requirements. Workers’ compensation laws remain products of state legislatures.

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Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages (net)	\$6,748,204	\$7,586,902	\$7,628,759
Contractual Services	\$803,369	\$872,888	\$899,074
Commodities	\$24,208	\$24,935	\$25,683
Capital Outlay	\$1,295	\$1,587,788	\$101,374
Non-Expense Items	\$695,053	\$892,220	\$875,782

The increase in salaries is due to the market adjustments implemented by the 2025 legislature. The increase in contractual services is primarily due to ongoing maintenance for technological upgrades. The increase in capital outlay is due to a need for updated hardware and software for scanning court documents, court reporting transcription, and an upgrade to the OSCAR court system. These updates began in SFY 2025 and will continue in SFY 2026 and SFY 2027.

LABOR RELATIONS AND EMPLOYMENT STANDARDS PROGRAM Priority Ranking per PBB - 5

LABOR RELATIONS

The Labor Relations Unit administers Kansas’ labor relations statutes, providing a framework for the labor relations activities of public sector employees and employers. These statutes are the Kansas Public Employer-Employee Relations Act (PEERA), found at K.S.A. 75-4321 et seq., and the Kansas Professional Negotiations Act (PNA), at K.S.A. 22-5413 et seq. PNA governs labor relations activities between Kansas’ public-school teachers and other professional employees in public schools and their employers while PEERA governs labor relations between other state of Kansas public sector employees and their employers, as well as those of local governmental units whose governing bodies opt-in to coverage by PEERA. The Labor Relations Unit conducts unit determination hearings, representation elections, decertification elections and prohibited practice (unfair labor practice) hearings as well as performing a role in the administration of the statutory impasse process, to assist public sector employers and public sector employee bargaining representatives to bring labor contract negotiations concerning public sector employees’ terms and conditions of employment to a successful resolution through statutorily-mandated mediation and fact-finding processes.

In fiscal year 2024, Labor Relations coordinated all impasses (12), prohibited practice complaints (3) and representation elections (3). PERB is a quasi-judicial, independent, statutorily created board that is part of the Kansas Department of Labor. Thus, Labor Relations additionally provided staffing support to PERB.

The goals of Labor Relations are to continue to administer both the PNA and the PEERA in a timely, effective, and unbiased manner consistent with the legislative intent for enacting these laws. Labor Relations will promote harmonious and cooperative employer/employee relationships and enforce laws providing protection to the Kansas work force through due process of administrative proceedings as provided by the following statutes:

- K.S.A. 44-801 et seq. - Collective Bargaining - Private Sector
- K.S.A. 44-818 et seq. - Agricultural Labor Relations Act
- K.S.A. 75-4321 et seq. - Public Employer-Employee Relations Act
- K.S.A. 22-5413 et seq. - Professional Negotiations Act
- K.S.A. 77-501 et seq. - Kansas Administrative Procedure Act

OBJECTIVE # 1:

Labor Relations will provide public employees and public employers a means to establish bargaining units and to elect an exclusive employee organization to represent the employees for the purpose of meeting and conferring with respect to grievances and conditions of employment.

Strategy for Objective #1:

- Provide administrative support to Office of Administration Hearings to ensure unit determination hearings are timely conducted and conduct certification and representation elections upon the verification of the showing of interest.

Performance Measures for Objective # 1:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of days after service of petition to hold mediation conference in all disputed determination cases.	45	45	45	45
Number of months after the date of the service of petition to conduct unit determination hearings.	3	3	3	3
Percent of unit certification and representation elections held within 45 days of the verification of the showing of interest.	100	100	100	100
<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of unit determination, certification and representation cases processed.	5	3	6	5
Number of unit certification and representation elections conducted.	3	3	3	5

OBJECTIVE # 2:

Provide public employees and public employers a means for resolving an impasse in meet and confer negotiations over conditions of employment.

Strategy for Objective # 2:

- Maintain a current list of individuals available to serve as factfinders and monitor their caseloads.

Performance Measure for Objective # 2:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of days after receipt to process requests for declaration of impasse.	3	3	3	3
Number of days after notification of parties' selection to appoint factfinders.	3	3	3	3
<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of impasse cases processed.	12	6	10	10

OBJECTIVE # 3:

Provide public employees and public employers a means for resolving disputes relative to the alleged commission of prohibited practices.

Strategies for Objective # 3:

- Continue to use alternative dispute resolution techniques to resolve disputes thereby reducing the number of formal hearings required.
- Maintain a case tracker system to remind when next action should be completed on a petition.

Performance Measures for Objective # 3:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of days after filing of complaint to serve prohibited practice petitions.	2	2	2	2
Number of days after service of petition to hold mediation conferences in prohibited practice cases.	45	45	45	45
Number of days after service of petition to hold pre-hearing conferences in prohibited practice cases not resolved through mediation.	60	60	60	60
Percentage of prohibited practice complaints resolved because of alternative dispute resolution techniques.	25	25	25	25
<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of prohibited practice cases processed.	3	2	5	5
Number of prohibited practices requiring KDOL to hear cases under appeal.	0	0	1	1

EMPLOYMENT STANDARDS

The Employment Standards Unit is part of Legal Services with its primary function of administering the Kansas Wage Payment Act, Kansas Minimum Wage and Overtime law, Kansas Child Labor law and Kansas Private Employment Agency law.

In Fiscal Year 2025, the agency returned \$925,668 dollars of earned wages to employees working in the State of Kansas. Employment Standards received 924 and closed 722 cases during the fiscal year.

The goals of Employment Standards are to continue to service both internal and external customers in a timely and efficient manner. Employment Standards will continue to promote a harmonious and cooperative employer/employee relationship and to enforce laws providing protection to the Kansas work force through due process of administrative proceedings as provided by the following statutes, including its newly assigned area involving employees who are victims of domestic violence or sexual assault:

- K.S.A. 44-313 et seq. - Wage Payment
- K.S.A. 44-1201 et seq. - Minimum Wage - Maximum Hours
- K.S.A. 38-601 et seq. - Child Labor Law
- K.S.A. 44-402 et seq. - Private Employment Agencies
- K.S.A. 44-1131 et seq. - Victims of domestic or sexual violence

OBJECTIVE # 1:

Properly handle cases filed pursuant to the Kansas Wage Payment Law, to docket cases for administrative hearing, to foster resolution of cases through mediation prior to the administrative hearing, to investigate overtime claims and to return unpaid wages to Kansas employees.

Strategies for Objective # 1:

- Closely review incoming claims to assure jurisdiction and completeness.
- Emphasize and expend resources to implement effective conciliation efforts to reduce the number of cases to be set for hearing without loss of customer service.
- Resolve claims prior to the administrative hearing through mediation.
- Commence on-site auditing of records within 30 days of receipt of overtime claim.
- Increase training on auditing procedures involving all investigators in the processing of overtime cases.
- Input claim information into updated tracking system to facilitate easy transition of case information to Legal Division for collection efforts.

Performance Measures for Objective # 1:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of regular wage claims filed.	774	924	1,000	1,000
Number of claims for minimum wage/overtime filed.	4	3	5	5
Total amount of wages collected	\$958,705	\$925,668	\$1,000,000	\$1,000,000
Total dollar amount of minimum wage/overtime wages	500	600	500	500

<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of claims served.	719	849	950	950
Number of claims closed.	640	722	850	850
Number of hearings set.	109	150	150	150
Number of hearings held.	98	133	140	140
Number of claims for minimum wage/overtime investigated and decisions rendered within 90 days.	4	5	5	5

OBJECTIVE # 2:

Commence child labor investigations within five days of receipt of complaint and to complete processing within 45 days with follow-up in 30 to 90 days to ensure compliance.

Strategies for Objective # 2:

- Make child labor complaints top priority because of the potential for physical harm to children.
- Perform random on-site inspections of Kansas industries that typically hire children.
- Increase training to streamline investigative approach.
- Direct recommendations to the Kansas Legislature to strengthen statutes regarding child in workplace.

Performance Measures for Objective # 2:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of child labor complaints investigated within five days.	100	100	100	100

<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of child labor reports/complaints received.	40	40	40	40
Number of child labor reports/complaints investigated, and violations found/referred to Federal jurisdiction.	8	8	8	8
Number of child labor complaint investigations commenced within five days of receipt.	8	8	8	8

OBJECTIVE # 3:

Employment Standards will complete investigations of any complaint regarding private employment agencies and to submit any negative findings to the County Attorney within 120 days of receipt.

Strategies for Objective # 3:

- Send out questionnaires at least annually to private employment agencies in Kansas to assure understanding and compliance of the law.
- Increase training to streamline investigative approach.

Performance Measures for Objective # 3:

<u>OUTCOME MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Percent of private employment agency complaints having decision rendered within 120 days	N/A	N/A	N/A	N/A

Number of new private employment licenses issued *	2	2	1	1
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<u>OUTPUT MEASURES:</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Number of private employment agency complaints received	0	0	0	0

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

Number of private employment agency complaints investigated, and decisions rendered within 120 days of receipt	0	0	0
Number of private employment requests for licensing, paying fees, securing surety bonds, and renewing licenses **	7	5	5

* Note is made that no additional funding for enforcement of this legislation has been provided.

** Even though the Private Employment Agency Law was changed to allow charging fees to the employee(s), requests for licenses fell far short of expectations.

OBJECTIVE # 4:

Properly handle complaints filed pursuant to K.S.A. 44-1131 through 44-1133, which prohibit employers from terminating, discriminating, or retaliating against victims of domestic violence or sexual assault for taking authorized leave from work, and to foster resolution of cases through conciliation.

Strategies for Objective # 4:

- Create a formal process on how KDOL handles complaints filed to the agency.
- Closely review incoming complaints to assure compliance with K.S.A. 44-1132.
- Emphasize and expend resources to implement effective conciliation efforts to resolve complaints without requiring KDOL enforcement under K.S.A. 44-1133.
- Provide training for conciliators relating to serving victims of domestic violence or sexual assault.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages	\$270,992	\$291,662	\$293,636
Contractual Services	\$21,066	\$21,089	\$21,772
Commodities	\$919	\$947	\$975
Capital Outlay	\$245	\$252	\$260
Non-Expense Items	\$37,837	\$50,000	\$50,000

The increase in salaries is due to the market adjustments implemented by the 2025 legislature. No significant changes are expected in the Labor Relations/Employment Standards budget. Non-expense items are comprised of wage claim payments in which the division has been successful in collecting wages owed to claimants from past employers.

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

OFF BUDGET FUNDS:

The off-budget funds budget is made up of three programs within KDOL: New Hire Crossmatch Program; Workplace Safety Program; and the Motor Pool Program. Each of these programs is provided funding that is expended at another agency or charged to various divisions within KDOL.

NEW HIRES PROGRAM

The New Hire Crossmatch program is funded by the Department of Children and Families (DCF). One agency per state is allowed to have access to the national new hire database. Employers provide data to the national new hire database each time they hire a new employee. KDOL uses the national new hire database as a tool to determine when individuals find employment and provide employment data to DCF for child support collection. This program is carried out by the Records Management division within KDOL.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages	\$65,140	\$88,864	\$89,882
Contractual Services	\$11,141	\$11,476	\$11,820
Commodities	\$144	\$117	\$121
Capital Outlay	\$36	\$74	\$76
Non-Expense Items	\$6,358	\$10,451	\$10,318

The New Hires program falls under Records Management and the team balances their workload between the Unemployment program and the New Hires program. The increase in salaries is due to the market adjustments implemented by the 2025 legislature. No other substantial increases or decreases are expected for this program.

WORKPLACE SAFETY PROGRAM

The Workplace Safety program is funded by the State Self Insurance Plan administered by the Kansas Department of Administration. The purpose of the workplace safety program is to provide guidance and training on safety in the workplace for State of Kansas employees. This program is carried out by the Industrial Safety and Health Division (ISH) within KDOL.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Salaries & Wages	\$102,003	\$193,273	\$194,949
Contractual Services	\$35,820	\$36,900	\$38,006
Commodities	\$2,097	\$2,160	\$2,225
Capital Outlay	\$449	\$462	\$476
Non-Expense Items	\$9,850	\$22,729	\$22,380

The increase in salaries is due to the market adjustments implemented by the 2025 legislature and a standardized calculation rather than actual time spent on this program. The employees that work on this program work on other programs within the ISH Division. No other substantial increases or decreases are expected for this program.

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

AGENCY MOTORPOOL PROGRAM

The Motor Pool program is funded by the various divisions within KDOL for the use of agency vehicles. Divisions are charged a per mile fee for the use of vehicles which in turn pays for the repair, maintenance, and replacement of the agency's fleet. The agency currently maintains twenty-six vehicles, a reduction of three vehicles from SFY 2025.

SFY 2026 Vehicle Replacements:

Vehicle 25898 is a 2016 Ford Transit van with 191,720 miles as of June 30, 2025. This vehicle is used by the facilities team to perform pick up and deliveries at our Topeka locations. This vehicle is located in Topeka with average mileage of 1,076 miles per month. The agency has spent \$1,483.78 in repairs, including regularly scheduled maintenance charges over the life of this vehicle.

SFY 2027 Vehicle Replacements:

Vehicle 16917 is a 2015 Ford Focus with 116,374 miles as of June 30, 2025. This vehicle is used by Industrial Safety and Health and is located in Freeport with average mileage of 763 miles per month. The agency has spent \$4,773.43 in repairs including regularly scheduled maintenance charges over the life of this vehicle.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Contractual Services	\$156,162	\$23,804	\$22,067
Commodities	\$36,573	\$33,903	\$31,428
Capital Outlay	\$66,000	\$25,000	\$25,750

OTHER

The decrease in contractual services is due to the agency spending funds received on staff training. Going forward, these expenses should be reflected under the Office of the Secretary.

Description	SFY 2025 Actual	SFY 2026 Budget	SFY 2027 Budget
Contractual Services	\$0	\$22,043	\$22,704
Commodities	\$2,576	\$3,179	\$3,274

Narrative Information----- DA-400

Division of the Budget

Agency: Kansas Department of Labor

State of Kansas

CAPITAL IMPROVEMENT PROJECTS:

Priority Ranking per

PBB - 6

In SFY 2026, the Kansas Department of Labor budgeted \$80,000 of Worker's Compensation funds and \$120,000 of State General Funds for general rehabilitation and repair of agency owned buildings. Additionally, the Department budgeted \$464,000 from Workers Compensation funds and \$696,000 from State General Funds. Projects included in SFY 2026 include the replacement of entry doors at the 1309 SW Topeka Blvd location; replacement of AC units and VAV boxes at the 1309 SW Topeka Blvd location; and the purchase of land adjacent to our Eastman property to provide additional parking for staff.

In SFY 2027, The Kansas Department of Labor budgeted \$100,000 of Worker's Compensation funds and \$150,000 of State General Funds for general rehabilitation and repair of agency owned buildings. Additionally, the Department budgeted \$464,000 from Workers Compensation funds and \$696,000 from State General Funds for projects which include sealing and/or overlaying three parking lot locations; replacement of the roof at our Eastman property; repair and/or replacement of concrete steps and hand rails at 401 SW Topeka Blvd and 1309 SW Topeka Blvd; preparation of the land purchased in 2026 for installation of the parking lot.