



**Andy Beshear**  
GOVERNOR

## EDUCATION AND LABOR CABINET

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**Jamie Link**  
SECRETARY

January 31, 2025

Hon. Christian McDaniel, Co-Chair, Interim Joint Committee on Appropriations and Revenue  
Hon. Jason Petrie, Co-Chair, Interim Joint Committee on Appropriations and Revenue  
Legislature Research Commission  
Room 300, Capitol  
Frankfort, Kentucky 40601

**Re: Unemployment Insurance System Replacement Project Report – Quarter ending  
December 31, 2024**

Dear Co-Chairs McDaniel and Petrie:

The following quarterly Unemployment Insurance System Replacement Project Report is hereby submitted in accordance with HB 6 RS 24.

### **A. Restricted Funds Usage**

The project has a total appropriation of \$96,750,000. This appropriation consists of the following funding sources:

\$11,250,000 Federal Funds  
\$10,000,000 Bond Funds  
\$7,500,000 General Fund  
\$68,000,000 Restricted Funds (Service Capacity Upgrade Funds - SCUF)

As of December 31, 2024, there have been \$4,625,411.77 in total expenditures related to this project. At this time, no Restricted Funds have yet been utilized.

### **B. Timeline for Expected Completion and Implementation**

The project is being developed in two phases.

The first phase, which will replace the current Employer Tax system, is scheduled for completion in 2026.

The second phase, which will replace the current Benefits and Appeals system, is scheduled for completion in 2028.

Sincerely,

/s/ Greg Higgins

Greg Higgins, Executive Director  
Office of Unemployment Insurance  
Kentucky Education and Labor Cabinet