

COVID-19 Alert - For the latest information on the novel coronavirus in Kentucky, please visit kycovid19.ky.gov

Official Website of the Commonwealth of Kentucky



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- Unemployment Services
- Veterans Express
- Vocational Rehabilitation
- Citizen Connect

KENTUCKY UNEMPLOYMENT INSURANCE

This page is here to help you file for Unemployment Insurance (UI) benefits. Due to the Covid-19 pandemic, non-traditional unemployment clients are now eligible to file for benefits.

Please read all the information below before filing your claim. This will ensure a complete and correct application while avoiding a delay in benefits.

If after you submit your application, you receive a letter that states you are not covered for traditional UI your claim will be processed for the Pandemic Unemployment Assistance (PUA) program. You will receive another letter about your eligibility



KY Office of Unemployment Insurance Update

July 8, 2020

JOSH BENTON

Deputy Secretary

Education & Workforce Development Cabinet

AMY CUBBAGE

General Counsel

Labor Cabinet

KY Office of Unemployment Insurance

- Unemployment insurance is a program structured as a partnership between the federal government and states
- States typically set the parameters of their unemployment programs within federal guidelines, including payroll tax rates and wage bases for covered workers
- KY OUI has been housed in the Department of Workforce Investment

Staffing

Technology

Communication

Trust Fund

KY OUI in 2020

Staffing

- Prior hiring freeze had resulted in an 18% decrease in field personnel and a 25% decrease in office personnel
- There were **zero** staff dedicated to in-person unemployment services at Career Centers
- Only 23 staff in the Adjudications Branch who could adjudicate UI claims

Technology

- Overdue technology upgrades
- A UI system that was still coded in 1970's COBOL
- RFP for a new system was released in 2020, just before COVID-19

We were on the road to changing the way we delivered UI customer service – a balanced approach including technology, phone and in-person services – when COVID-19 hit Kentucky.

2017 EMPLOYMENT CUTS

TEAM
KENTUCKY

Bevin administration to pull workers from
31 Ky. employment offices



- Loss of **29** Unemployment offices
- Went from **51 offices to 22**
- Lost **95** employees
- **20 year-old** system
- Unemployment office budget went from **\$41 million in 2010 to \$25 million in 2018**



AREAS IMPACTED

Ashland, Bardstown, Campbellsville, Carrollton, Central City, Columbia, Corbin, Danville, Florence, Frankfort, Georgetown, Glasgow, Harlan, Henderson, Lebanon, Leitchfield, Liberty, Louisville (Preston Highway), Madisonville (2 locations), Mayfield, Maysville, Middlesboro, Murray, Pikeville, Richmond, Russell Springs, Shelbyville, Shepherdsville, Springfield and Winchester.

WDRB.com

Bevin administration to pull workers from 31 Ky. employment offices

Jan 11, 2017



LOUISVILLE, Ky. (WDRB) -- Gov. Matt Bevin's

LEXINGTON HERALD LEADER

POLITICS & GOVERNMENT

State pulling workers out of 31 unemployment offices amid major cuts

By Daniel Desrochers
d-desrochers@herald-leader.com

News Weather

State pulling workers out of 31 unemployment offices



(WTOK)
 By Associated Press
 Published: Jan. 12, 2017 at 11:38 AM EST

THE DAILY Independent

TOP STORY

State removing workers from Ashland unemployment office, 30 others

Andrew Adkins | The Daily Independent Jan 10, 2017



The state unemployment office at 19th street and Carter Avenue in Ashland is one of the 31 Kentucky Career Centers impacted by statewide cuts. KEVIN GOLDY | THE DAILY INDEPENDENT

Kentucky General Assembly

Search

Legislators Committees Bills Kentucky Law Public Services Legislative Research Commission Visitors & Education

Legislation / 2017 Regular Session / House Bills / House Bill 176

House Bill 176

Actions

Last Action	to State Government (H)
Title	AN ACT relating to state employment offices.
Bill Documents	Introduced
Bill Request Number	1289
Sponsors	K. Sinnette, R. Nelson, R. Rand, S. Westrom
Summary of Original Version	Amend KRS 151B.285 to mandate that public employment offices be located in specified locations.
Index Headings of Original Version	<ul style="list-style-type: none"> Unemployment Compensation - Kentucky Career Center, public employment office locations mandated Personnel and Employment - Public employment offices, locations mandated Public Assistance - Kentucky Career Center, public employment office locations mandated State Agencies - Kentucky Career Center, public employment office locations mandated

The Anatomy of a UI Claim

BEFORE COVID-19

- Available to traditional employees when they were unemployed through no fault of their own (furloughed, laid off, etc.)
- Benefits were designed to be short-term (26 weeks only)
- Application was thorough, not fast
- There are 27 variables that can “stop,” delay, or disqualify a claim
- Average number of new claims filed per month (in the 90 days before COVID-19): 3,500

AFTER COVID-19

- Expanded eligibility to non-traditional workers (self employed, independent contractors, etc.)
- Claims were open-ended in duration
- Application process that disqualified the newly eligible before we had a chance to modify
- Expanded to four programs, some of which a person could be simultaneously eligible

COVID-19 Unemployment Programs

Pandemic Unemployment Assistance (PUA)

- Federal program providing 39 weeks of unemployment benefits for workers not otherwise eligible for regular unemployment benefits, self-employed individuals, contract workers, and business owners.

Pandemic Emergency Unemployment Compensation (PEUC)

- Federal program providing an additional 13 weeks of unemployment benefits for unemployed workers who have exhausted regular unemployment benefits and whose benefit year expires on or after July 1, 2019.

Pandemic Unemployment Compensation (PUC)

- Federal stimulus program providing an additional \$600 of benefits per week to all unemployed workers receiving regular unemployment compensation, PUA or PEUC, including part-time workers, through July 31, 2020.

90 Days Before COVID-19

December 8, 2019 – March 7, 2020

44,841

- Total number of new claims filed

77%

- Percent of eligible claims paid

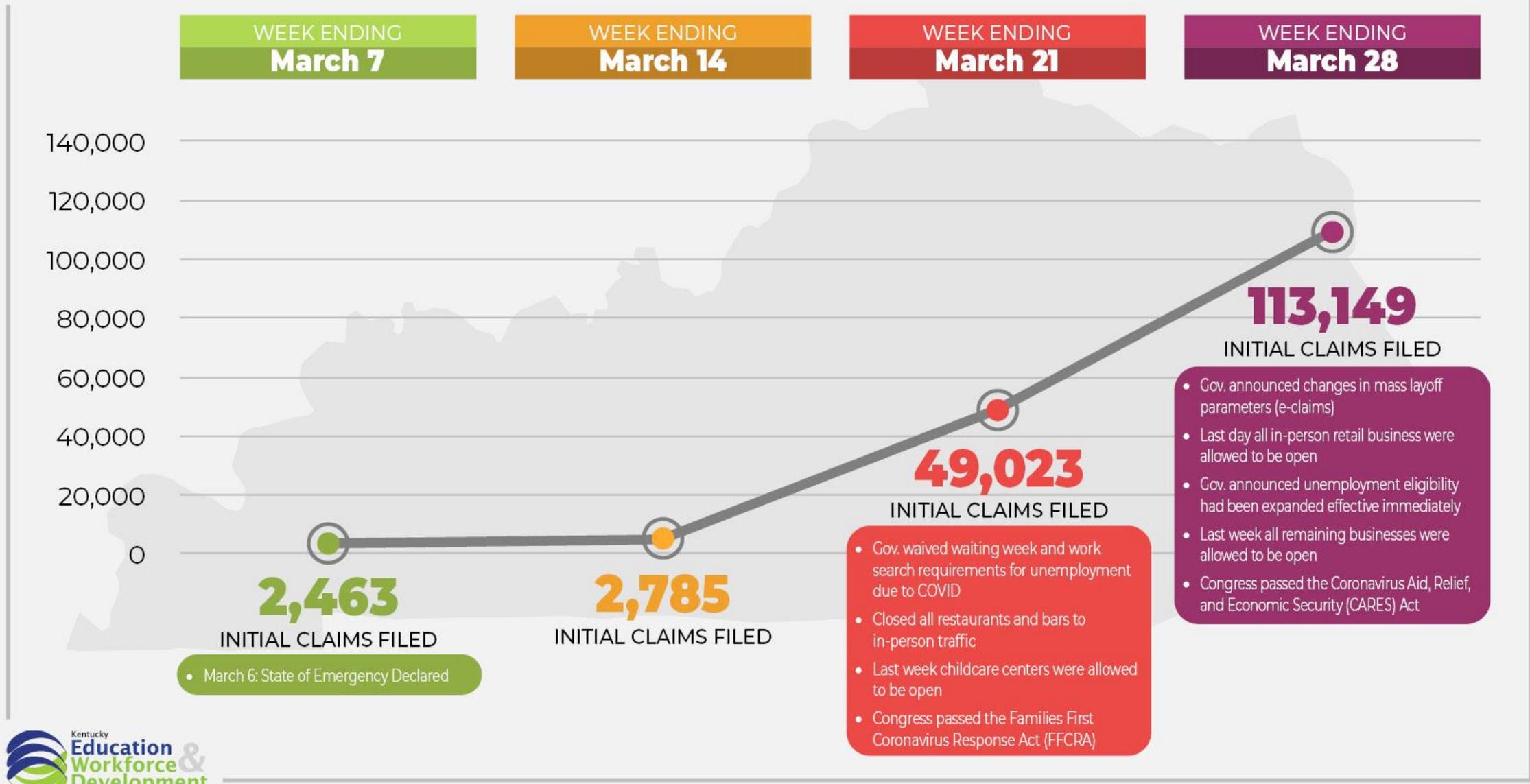
\$109,668,404

- Total amount of UI funds distributed

\$583,963,955

- Balance of KY UI Trust Fund (as of 03/07/2020)

CLAIMS FILED MARCH 2020



WEEK ENDING
March 7

WEEK ENDING
March 14

WEEK ENDING
March 21

WEEK ENDING
March 28

140,000
120,000
100,000
80,000
60,000
40,000
20,000
0

2,463

INITIAL CLAIMS FILED

- March 6: State of Emergency Declared

2,785

INITIAL CLAIMS FILED

49,023

INITIAL CLAIMS FILED

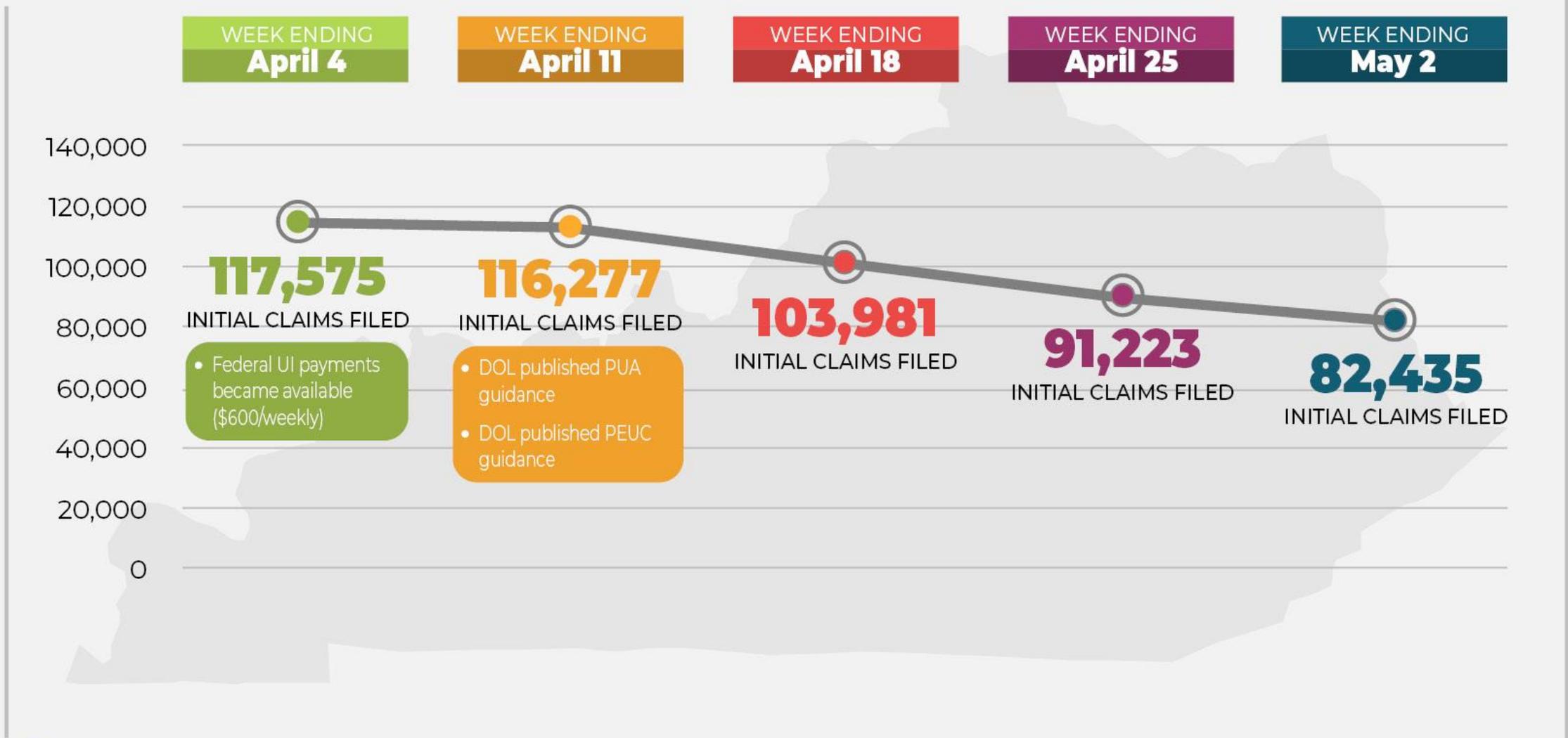
- Gov. waived waiting week and work search requirements for unemployment due to COVID
- Closed all restaurants and bars to in-person traffic
- Last week childcare centers were allowed to be open
- Congress passed the Families First Coronavirus Response Act (FFCRA)

113,149

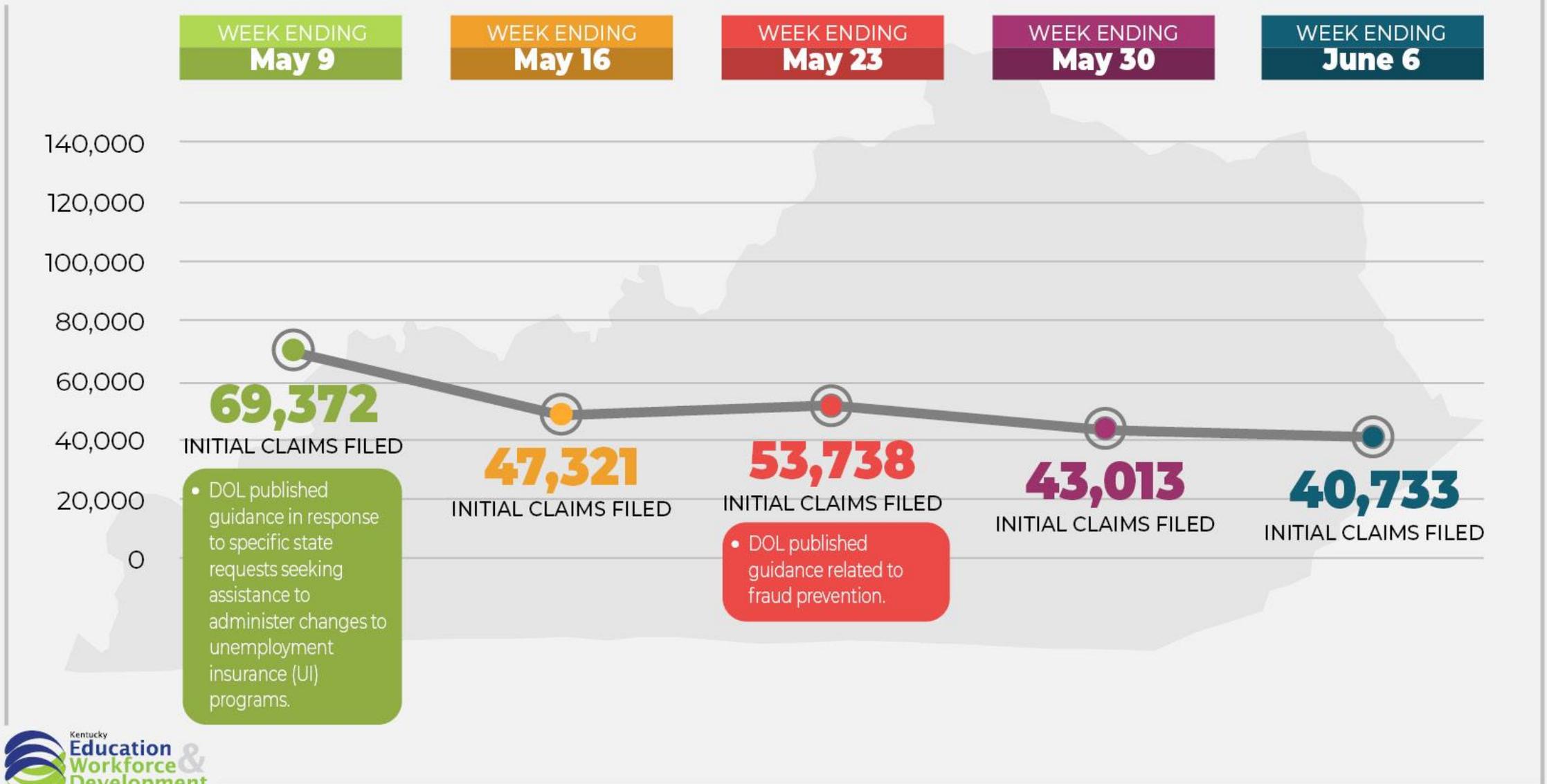
INITIAL CLAIMS FILED

- Gov. announced changes in mass layoff parameters (e-claims)
- Last day all in-person retail business were allowed to be open
- Gov. announced unemployment eligibility had been expanded effective immediately
- Last week all remaining businesses were allowed to be open
- Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act

CLAIMS FILED APRIL 2020



CLAIMS FILED MAY/JUNE 2020



Where Are We Today?

March 8, 2020 – June 6, 2020: 90 Days after COVID-19 State of Emergency

931,807

- Total number of new claims filed

91.6%

- Percent of eligible claims paid

8,453,910

- Total number of calls received

\$2,405,804,385

- Total amount of UI funds distributed

\$150,716,318

- Balance of KY UI Trust Fund (as of 06/05/2020)

\$1,304,342,415

- Balance of Federal UI Trust Fund (as of 06/05/2020)

Challenges & Obstacles

Challenges We Inherited

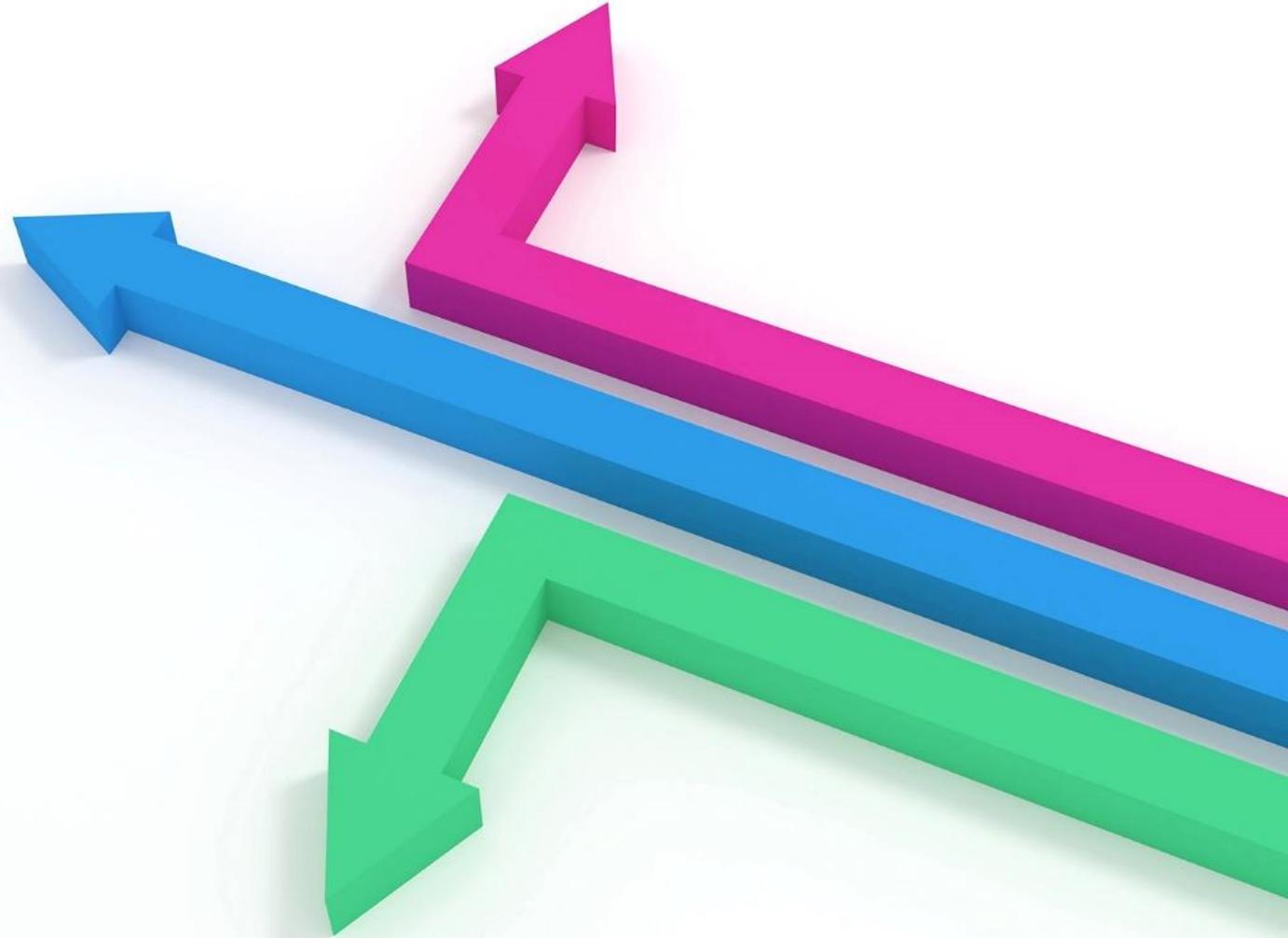
- Understaffed
- Limited Institutional Knowledge
- Trust Fund Solvency
- Antiquated Technology
- Security Threats
- Outdated Protocols

Obstacles that Arose

- Volume of Claims: Highest in the Nation
- Phone Line Capacity & Transition
- System Modifications for New Programs
- Staffing Quantity vs. Quality
- Untimely Guidance from the Federal Department of Labor

The Course Corrections

- First State to Expand Eligibility
- Utilizing Experienced Adjudicators
- KCC Website Overhaul
- Communications Campaign
- UI Trust Fund Stabilization
- Pivot to Amazon Connect
- Security Upgrades

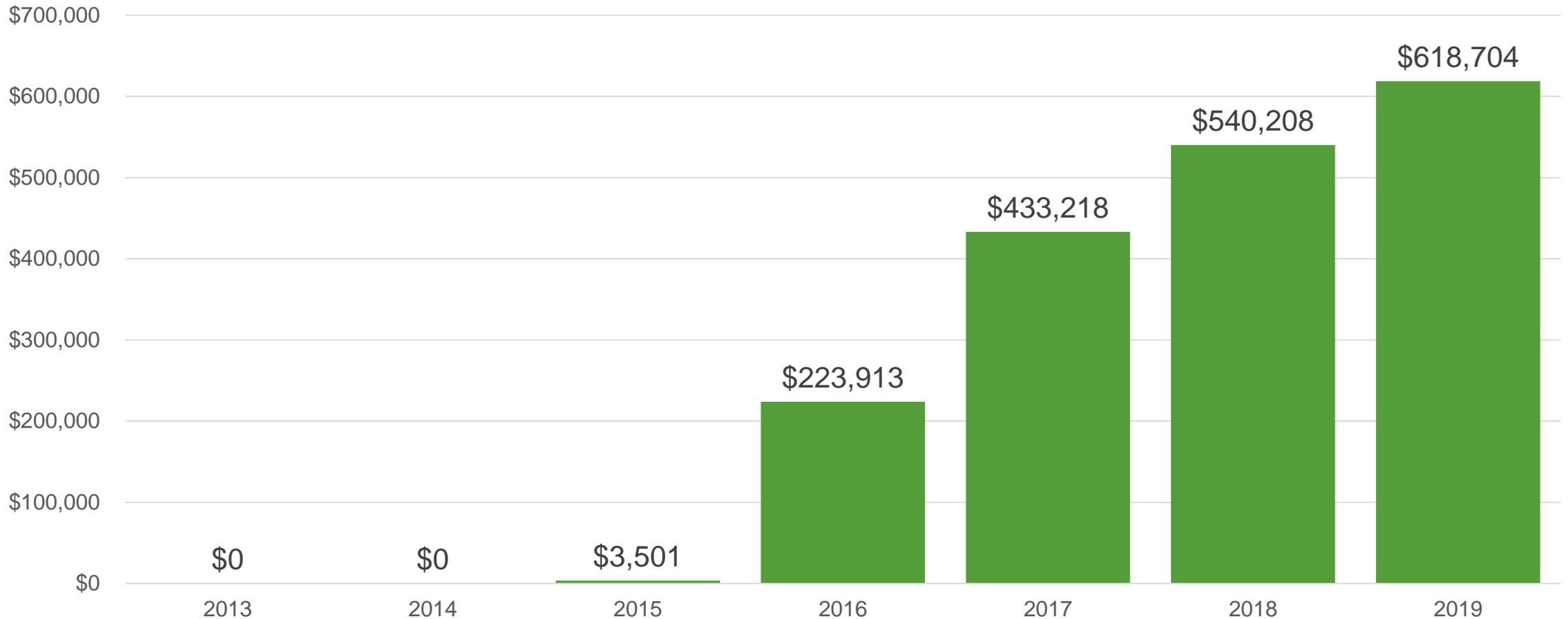


KY Unemployment Insurance Trust Fund

- The Unemployment Insurance Trust Fund is Kentucky's pool of employer taxes available to pay traditional unemployment insurance benefits
- In January 2009, at the height of the Great Recession, employer taxes and trust fund reserves were no longer sufficient to cover the claims filed against the Kentucky UI Trust Fund
- By the end of 2009, Kentucky had borrowed more than \$500 million in federal Title XII loans to meet benefit payment obligations
- Kentucky's Title XII advance balance was eliminated and solvency restored by Jan. 1, 2016
- Solvency of the UI Trust Fund was achieved through the implementation of updates to Kentucky's unemployment insurance laws, including a reduction in benefits, the introduction of a waiting week period, and increases to the taxable wage base
- The financial condition of the UI Trust Fund depends on three factors: **state benefit payments, contributions and interest revenues, and taxable wages**

Recent Unemployment Insurance Trust Fund History

Fund Balance in Millions



Federal Additions to the UI Trust Fund

- The federal CARES Act (passed March 2020) established the creation of the Federal Pandemic Unemployment Compensation Fund
- This houses all federal pandemic unemployment compensation,
 - Pandemic Unemployment Assistance
 - Federal Pandemic Unemployment Compensation
 - Pandemic Extended Unemployment Compensation
- Kentucky's federally funded UI trust fund was established on April 7, 2020
- To provide security to state's unemployment insurance trust funds, the CARES Act allows to access zero-interest loans
- Kentucky was approved for a \$865 million loan in June 2020
- Loan comes in three transfers over the months of June, July, and August
- \$215 million was transferred on 6/11

ACTIONS TAKEN TO IMPROVE THE UNEMPLOYMENT SYSTEM

- **Moving unemployment insurance** to the **Labor Cabinet**
- Appointed **Labor Cabinet Secretary to oversee** the Office of Unemployment Insurance
- **Increased number of claims processors** from roughly 40 to 100
- Requested Labor Cabinet to **offer more in-person services and local offerings across the state**
- Issued an **RFP recently to improve the state's decades-old unemployment insurance technology system**

WHY ERNST & YOUNG

- **Globally respected** firm with a large presence in the commonwealth.
- **Recent experience processing unemployment claims** in Colorado.
- While the commonwealth has processed 90% of claims, paying out more than \$2.7 billion since March, **the firm can provide 300 employees to resolve outstanding claims** quickly. In comparison, the state would have to pull some existing employees from working claims to help train not nearly as many more adjudicators, which could take up to four to six months.
- The **ready-to-go experts save more than \$15 million in annual costs** that would be associated with payroll, benefits, equipment and training.
- Additional assistance covered under federal CARES Act funding.

Recent In-Person Services Provided

Frankfort

- June 16 – 19: 2300
- June 22: 640
- June 29 – July 2: 840

- **TOTAL SERVED: 3780**

Ashland

- June 29 – July 2

- **TOTAL SERVED: 1316**

Owensboro

- June 29 – July 2

- **TOTAL SERVED: 886**

Current & Upcoming In-Person Services

Somerset

- July 7 & 8
- The Center for Rural Development

Hopkinsville

- July 7 & 8
- Christian County Middle School

Covington

- July 13 – 15
- Northern Kentucky Convention Center

Prestonsburg

- July 14 – 16
- Floyd County Board of Education

SCHEDULE AN APPOINTMENT AT [KCC.KY.GOV](https://kcc.ky.gov) BY CLICKING ON THE **VIEW SERVICES** BUTTON

Questions

