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Department of Labor

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Amber Shultz, Secretary

Laura Kelly, Governor

September 14, 2026

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 2027 budget document for the Department. It has been prepared in accordance with the instructions transmitted with your letter of July 6, 2026. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

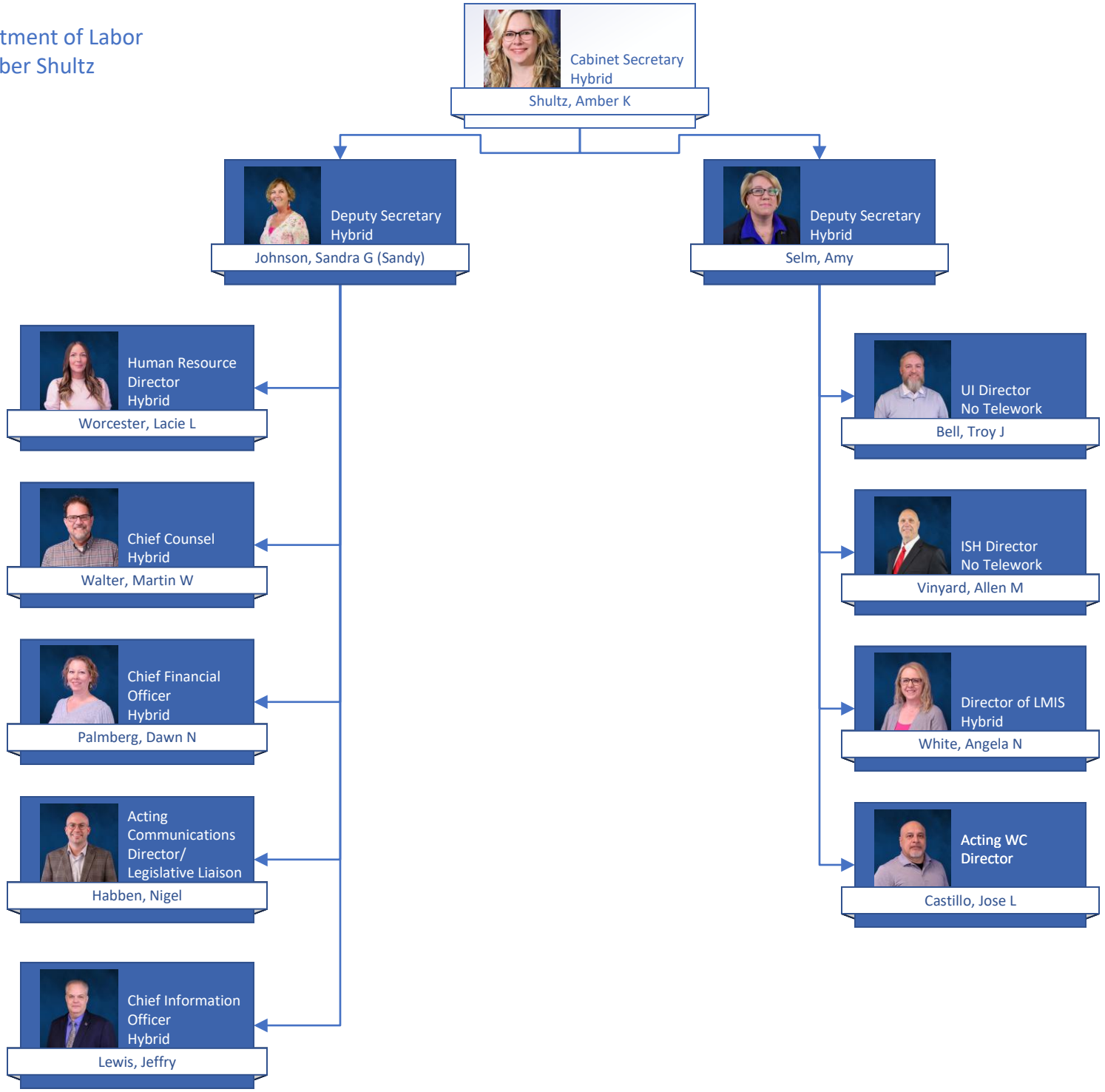
As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

Amber Shultz

Amber Shultz
Secretary

Kansas Department of Labor
Secretary Amber Shultz
August 2026



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 demonstrating 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. 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.

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 their 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.

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 2027, or SFY 2028. 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 7.99 percent for SFY 2027. The indirect cost rate has not been established for SFY 2028. Support 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 2026 Actual	SFY 2027 Estimate	SFY 2028 Estimate
2041	KDOL Special Projects Fund	$217,717	$220,816	$225,232
2120	Special Employment Security Fund	$331,788	$500,000	$500,000
2124	Workers Compensation Fund	$12,375,551	$12,867,068	$12,500,000
2204	Wage Claims Assignment Fee Fund	$797	$0	$0
2224	Amusement Ride Safety Fee Fund	$78,435	$80,000	$80,000
2302	Federal Indirect Cost Offset Fund	$0	$0	$0
2781	Indirect Cost Fund	$2,652,557	$3,100,802	$3,267,044
2895	Sheltered Workshop Transition Grant Fund	$1,000,000	$1,000,000	$1,000,000
Total		$16,656,845	$17,768,686	$17,572,276

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.

FUND: 3339

The revenue into this fund is a grant from the USDOL to perform OSHA workplace safety consultations to private 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 2026 Actual	SFY 2027 Estimate	SFY 2028 Estimate
17.207	3275	One-Stop LMIS	$380,767	$384,154	$416,722
17.225	3335	Unemployment Insurance	$25,208,214	$23,147,251	$24,878,936
17.225	3335	Reed Act Funds	$0	$0	$0
17.225	3336	Sale of Federal Buildings	$0	$1,200,000	$0
17.504	3339	OSHA Consultation	$646,228	$774,275	$814,638
17.002	3742	LMIS Cooperative Agreement	$899,813	$794,421	$838,554
17.005	3743	OSHS/CFOI	$115,068	$86,344	$93,541
Total			$27,250,090	$26,386,445	$27,042,391

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 $516,267 in SFY 2027, and $613,403 in SFY 2028.

AGENCY-WIDE OVERVIEW:

CURRENT YEAR 2027:

KDOL's SFY 2027 budget includes $10,364,750 of SGF expenditures. Additionally, KDOL's budget includes fee fund expenditures of $22,774,850; federal fund expenditures of $25,186,445; and off budget fund expenditures of $565,930. The agency's Kansas unemployment insurance benefits are projected to be $179,396,511 in SFY 2027. The operating budget of the agency generally reflects normal operations, as well as continued improvements to the agency's overall technology infrastructure.

SUPPLEMENTAL PACKAGES:

The agency requests one supplemental package for SFY 2027. A supplemental request in the amount of $105,210 is requested from the workers compensation fee fund to match the state general fund reappropriation of $175,328 in capital improvements. The reappropriation request is for two projects that were in the design phase prior to the close of the 2026 fiscal year but were not complete and approved to go out for bid.

1. Renovation of the third floor at the KDOL administration building. Estimated construction cost is $200,000. This project is currently out for bid.
2. Demolition of the building on the purchased property adjacent to the Eastman building and construction of a parking lot. This project is currently in the land survey stage and will then go out for bid. The remainder of the reappropriation will be used for this project as well as funding from the 2027 capital improvement budget. The project's estimated cost is $500,000.

BUDGET YEAR 2028:

KDOL's SFY 2028 budget includes $10,463,641 of SGF expenditures plus an enhancement request of $1,000,000 in SGF. Additionally, KDOL's budget includes fee fund expenditures of $22,327,536; federal fund expenditures of $27,042,391; and off budget fund expenditures of $663,506. The agency's Kansas unemployment insurance benefits are projected to be $182,460,909 in SFY 2028. 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 one enhancement package for SFY 2028. An enhancement request in the amount of $1,000,000 is requests from state general funds for ongoing IT maintenance related to the unemployment insurance system. The system is fully functional; however, ongoing enhancements and related cloud storage continue to increase in cost. The agency would benefit greatly from the additional allocation of state general funds for the upkeep of agency technology systems.

POSITION DATA

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

PROGRAM	FTE POSITIONS	NON-FTE UNCL. PERM POS.
Administration and Support	43.09	37.48
Labor Market Information	9.00	6.00
Unemployment Insurance Services	127.07	75.60
Industrial Safety and Health	8.50	8.70
Workers Compensation Services	47.00	23.00
Labor Relations and Employment Standards	2.00	1.10
Off-Budget Programs	2.41	1.82
Total Positions	**239.07**	**153.70**

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 and two Deputy Secretaries. 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 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$794,420	$575,568	$527,102
Contractual Services	$126,409	$109,401	$112,608
Commodities	$2,653	$2,733	$2,815
Capital Outlay	$965	$994	$1,024
Capital Improvements	$604	$0	$0
Other Assistance	$0	$2,000,000	$1,000,000
Non-Expense Items	$0	$0	$0

In SFY 2026, the agency retained an executive assistant position to support the secretary's office. When the employee left service, the position was not backfilled. Additionally, in SFY 2027, one of the two deputy secretaries intends to retire. With potentially new leadership coming in SFY 2028, the agency does not intend to back fill the second deputy secretary position. This is the primary reason for the decrease in salaries. The decrease in contractual services is primarily due to the anticipated decrease in travel due to less staffing in this division. The other assistance expense is attributed to the Kansas Sheltered Workshop in partnership with the Kansas Department of Aging and Disability Services in which state grants are offered to employers who employ disabled individuals to supplement their income. This program started in SFY 2026. No grant applications have been received since inception. All other expenses are expected to be stable and result from normal operations.

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 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 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$989,721	$1,023,690	$1,077,068
Contractual Services	$338,217	$285,096	$290,799
Commodities	$1,569	$1,552	$1,583
Capital Outlay	$1,342	$698	$30,713
Capital Improvements	$614	$0	$0
Non-Expense Items	$0	$33,535	$41,952

One attorney position was vacant for a period in SFY 2026, this is the reason for the increase in salary between SFY 2026 and SFY 2027. Staffing is expected to remain at the current level for the current year and the budget year. The decrease in contractual services reflects a decrease in the Office of Administrative Hearing contract between SFY 2026 and SFY 2027. All other expenses are expected to be relatively stable and result from normal operations. 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 to make informed operational decisions. Additional duties include the accurate and timely assessment and payment of all agency expenditures; procurement services; budgeting activities on both the state fiscal year and federal fiscal year; federal reporting; and oversight of the agency's motor pool fund.

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 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 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$1,067,745	$1,298,200	$1,366,699
Contractual Services	$250,747	$273,715	$281,926
Commodities	$3,861	$3,977	$4,096
Capital Outlay	$1,503	$26,548	$27,344
Capital Improvements	$411	$0	$0
Non-Expense Items	$2,148,602	$1,362,675	$1,755,973

The fiscal division experienced turnover in SFY 2026, this is the reason for the increase in salary between SFY 2026 and SFY 2027. Salaries in SFY 2027 and SFY 2028 reflect the division fully staffed. The largest expense in contractual services for the fiscal division is the ongoing maintenance of the SMART accounting system. The increase in capital outlay is to account for the purchase of building layout and maintenance software to provide better accounting of building system maintenance and square footage calculations. Non-expense items are primarily made up of a pass-through grant to the Department of Commerce.

HUMAN RESOURCES

The Human Resources (HR) Division is committed to delivering comprehensive human resource services, guidance, and support across the Kansas Department of Labor. The division plays a critical role in attracting, developing, and retaining a skilled workforce while ensuring compliance with state and federal employment laws and agency policies.

The division oversees all personnel transactions for the agency, including payroll actions, employee benefits administration, Family and Medical Leave Act (FMLA), shared leave, paid parental leave, and employee records management. HR is also responsible for managing employee identification badges, coordinating new employee orientation, administering agencywide training and compliance initiatives, maintaining records retention, and providing resources that support employee development throughout their careers.

To strengthen the agency's commitment to employee development, the division added a Training Coordinator position. This position is responsible for identifying organizational training needs, developing and delivering instructor-led and online training, coordinating agencywide learning initiatives, and expanding professional development opportunities for employees. To support these efforts, the agency is implementing the Articulate learning management system, which will enhance the creation, delivery, and tracking of online training and provide employees with greater access to consistent, high-quality learning resources.

The agency continues to place a strong emphasis on recruitment, retention, and workforce security. HR manages all aspects of the hiring process, including recruitment, candidate screening, pre-employment testing, offer letters, onboarding, and new employee orientation. In addition, recent legislative changes and enhanced security requirements have expanded the agency's background screening program. HR now oversees more comprehensive background screenings for all newly hired employees and contractors, including fingerprint-based screenings for positions requiring access to sensitive information, helping safeguard agency systems, confidential data, and the citizens we serve.

The division also provides employee relations services that promote a positive and productive workplace by advising managers, addressing employee concerns, supporting performance management, facilitating conflict resolution, and ensuring consistent application of personnel policies and procedures.

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages	$413,119	$485,229	$510,107
Contractual Services	$55,250	$54,892	$56,539
Commodities	$1,052	$1,084	$1,117
Capital Outlay	$1,603	$1,651	$1,701
Capital Improvements	$316	$0	$0

The increase in salaries reflects the addition of the Training Coordinator position, which expands the agency's capacity to provide employee training and professional development. Remaining expenditures for this division reflect normal operations with no anticipated significant increase or decrease.

COMMUNICATIONS

The Communications Division keeps employers, claimants, the media, and the public informed about the agency's services and initiatives through a variety of channels, including press releases, website updates, social media posts, and printed materials. The division also provides internal support to KDOL by ordering business-related materials, such as business cards, office name plates, and creating and maintaining agency forms. The division also assists KDOL staff with presentation materials; and supports external agency events.

The objectives of the Communications Division include continued development and implementation of clear communication content that effectively reaches KDOL's target audiences. This includes initiatives such as creating plain-language website content for claimants, developing graphics and resource guides to help businesses understand compliance requirements, and providing informational content through social media to increase awareness of KDOL's services.

Effective communication is essential to ensure Kansas can access unemployment insurance, workers compensation, and other KDOL services.

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$390,304	$371,764	$391,833
Contractual Services	$60,814	$62,639	$64,520
Commodities	$1,743	$1,795	$1,849
Capital Outlay	$3,290	$3,389	$3,491
Capital Improvements	$837	$0	$0
Non-Expense Items	$0	$0	$0

The communications division experienced turnover in SFY 2026, this is the reason for the increase in salary between SFY 2026 and SFY 2027. Salaries in SFY 2027 and SFY 2028 reflect the division fully staffed. Remaining expenditures for this division reflect normal operations with no anticipated significant increase or decrease.

INFORMATION SYSTEMS AND TECHNOLOGY

The Information Technology (IT) Division serves as a strategic enabler of the Kansas Department of Labor's mission, delivering operational excellence, regulatory compliance, and secure digital services to Kansas workers and employers.

Following the successful deployment of the cloud-native Unemployment Insurance Technology Enhancement (UITE) platform and the retirement of the legacy mainframe environment alongside over 45 supporting systems, KDOL IT has transitioned from wholesale technology replacement to operational sustainability, infrastructure optimization, and continuous process improvement.

The division manages a defended hybrid enterprise environment spanning Amazon Web Services (AWS FedRAMP Moderate boundary), Microsoft Azure, statewide infrastructure hosted via Unisys Data Center as a Service (DCaaS), an on-premises footprint at the Eisenhower State Office Building (ESOB), and enterprise Software-as-a-Service (SaaS) platforms. Key operational pillars include:

- Comprehensive Endpoint & Client Services: Hardening, deploying, and maintaining workstations, peripherals, mobile devices, and collaboration environments across the agency workforce.
- Identity & Perimeter Defense: Enforcing Zero Trust architecture, Multi-Factor Authentication (MFA), Single Sign-On (SSO), and Role-Based Access Control (RBAC) anchored at the primary Active Directory environment at ESOB and federated across cloud systems.
- Application Engineering & Modernization: Driving continuous maintenance, bug fixes, automated batch processing (Stonebranch, Quartz, SQL Agent), and agile sprint velocity across core program portfolios (UI, Workers Compensation/OSCAR, ISH, and LMI).
- Enterprise Analytics & Centralized Data Platforms: Maintaining enterprise ETL data pipelines, database administration, and an agency-wide Azure Data Warehouse supporting Power BI self-service intelligence and state reporting mandates.
- Governance, Risk & Compliance (GRC): Enforcing regulatory safeguards, vulnerability remediation, and audit readiness across IRS Publication 1075, Social Security Administration (SSA), USDOL, and amended Kansas SB 291 standards.

IT Objective #1: Hybrid Infrastructure Optimization, Zero Trust & Endpoint Hygiene

KDOL IT is actively rebalancing its hybrid hosting footprint to mitigate unsustainable operational expenditures while advancing enterprise zero-trust controls.

Key initiatives for this budget cycle include:

- DCaaS Storage Cost Mitigation & Cloud Workload Placement: Current contract renewal terms for statewide Unisys DCaaS bill storage on a consumption-based, per-gigabyte/per-month model, creating severe budget pressure on IT operations. To optimize recurring expenditures, IT is executing a structured migration of non-production workloads, dev/test environments, and secondary data stores out of DCaaS into AWS and Azure Government. Legacy SMB network file storage required for scanned USPS mail ingestion remains managed within DCaaS, while operational collaboration files are governed through Microsoft 365 GCC (SharePoint Online / Teams) via OITS.
- ESOB On-Premises & Identity Defense: Operating allocations maintain the physical data center facility at the Eisenhower State Office Building (ESOB), which hosts primary Active Directory Domain Controllers, physical facility access/door badging systems, and surveillance camera server infrastructure.
- Automated Asset Hygiene & Vulnerability Management: In alignment with amended Kansas SB 291 and NIST SP 800-53 controls, IT utilizes centralized tooling—including Tanium, Tenable/Nessus, CrowdStrike, and BitLocker—to enforce continuous vulnerability detection, automated operating system patching, and machine configuration compliance. Sustained internal Infrastructure FTE capacity is required to tailor and enforce these controls within KDOL's operating boundary.
- Telephony & Contact Center Modernization: IT is preparing to sunset its legacy on-premises Cisco UCCX phone footprint, transitioning standard administrative telephony to Cisco Webex Cloud via OITS and architecting the migration of high-volume agency call centers to AWS Connect.
- Hardware Lifecycle Replacements: Global supply chain inflation has increased enterprise hardware acquisition costs by 25% to 40%. The budget provides for scheduled refresh cycles across network firewalls, switches, server hardware, and hardened client endpoints to maintain supportability and eliminate physical security vulnerabilities.

IT Objective #2: Enterprise Data Services, Azure Data Warehouse & Governed Analytics

Entering its third operational year, the KDOL Data Strategy has expanded from initial pipeline ingestion into enterprise data governance, secure data sharing, and cross-divisional analytics.

Key execution priorities include:

- Centralized Azure Data Warehouse Operations: The agency-wide Azure Data Warehouse centralizes datasets from disparate program areas, enabling cross-divisional performance tracking and data transparency. Data Services staff manage increasing ingestion volumes, implement column-level security, enforce encryption-at-rest protocols, and optimize cloud storage costs to sustain scalable reporting.
- Governed Power BI Analytics: IT continues the enterprise rollout of Power BI as the statewide standard for operational reporting, statutory dashboards, and anti-fraud investigative pattern recognition. Strict role-based workspace permissions protect sensitive datasets from unauthorized exposure.
- Data Integration & Quality Assurance: The Data Services unit oversees mission-critical automated data exchanges, ETL pipelines, database performance tuning, and test-data sanitization for non-production environments across Microsoft SQL Server and PostgreSQL databases.

IT Objective #3: UI Platform Sustainment, Cloud Defense & Co-Development Operations

With the UITE system fully deployed in AWS within a FedRAMP Moderate boundary, IT has transitioned to long-term cloud platform operations, security maintenance, and co-development sustainment.

Operational priorities center on:

- Engineering Velocity & Internal Co-Development: UI platform sustainment relies on an agile co-development model where dedicated internal application developers and full-time specialized contractors maintain sprint velocity to deploy monthly security updates, statutory adjustments, bug fixes, and minor functional enhancements without external integrator overhead.
- Cloud Middleware & Database Lifecycle Management: Operating funds support mandatory infrastructure upgrades within the AWS FedRAMP boundary, including PostgreSQL Aurora database cluster patching, container orchestration maintenance, and runtime framework upgrades to eliminate deprecation vulnerabilities.
- Vendor Contract Management & Technical Transition: KDOL is managing the final two-year operational runway of the existing TCS/UITE contract, actively transferring institutional and system architectural knowledge into the internal state workforce to ensure long-term sovereign supportability.

IT Objective #4: Program-Level Modernization, Applied AI & Workforce Realignment

KDOL IT is completing its multi-year application modernization agenda while integrating practical artificial intelligence across software development and citizen service workflows.
Key initiatives include:

- Final Program-Level Modernizations (Q1 2027 Milestone): Building on the successful internal upgrade of the Workers Compensation (OSCAR) backend to modern .NET 8, IT is executing the modernization of the final two program applications (Industrial Safety & Health via SaaS/Accela collaboration with OITS, and Labor Market Information platforms). Targeted for completion in Q1 2027, this initiative will bring 100% of KDOL program software onto modern, supported platforms.

- Application Development Workforce Realignment: Due to the extended medical absence of the permanent Application Development Manager without double-fill capacity, IT has instituted a pragmatic interim management structure. UI developers are functionally aligned under the IT Portfolio Director (Jack White), while Workers Compensation developers (Darla LaRose, Stephen Waldron) and core application developers are managed directly under the Data Services Supervisor (Brian Kayser). Budget resources support cross-skilling and managerial talent development to build an internal succession pipeline.
- Applied AI-Assisted SDLC Velocity: KDOL leads the Kansas Executive Branch in applied developer tooling, leveraging AI-assisted development environments with human-in-the-loop oversight and SonarQube automated code quality/security analysis to accelerate refactoring timelines and unit testing.
- Conversational AI Service Delivery: IT is finalizing deployment of its first public-facing conversational AI chatbot (scheduled for public release within 60 days) to assist Kansans with navigational inquiries, expanding into automated business workflow engineering while enforcing strict constituent data privacy boundaries.

IT Objective #5: Comprehensive GRC, Policy Consolidation & Audit Remediation

As the custodian of confidential unemployment compensation records, employer wage databases, IRS Federal Tax Information (FTI), and Social Security Administration (SSA) data, KDOL maintains strict compliance and proactive risk governance.

Priority compliance initiatives include:

- Policy Modernization & Audit Remediation: To resolve historical audit citations ("dings") resulting from fragmented legacy documentation, KDOL GRC is consolidating 31 outdated IT policies into 10 streamlined, enforceable enterprise policies. With the first three approved, funding ensures the operationalization and continuous audit readiness of the remaining seven policies.
- Regulatory Oversight: IT actively enforces security baselines and maintains continuous audit readiness across IRS Publication 1075, SSA Safeguard Requirements, USDOL standards, and amended Kansas SB 291 mandates.
- Security Monitoring & Incident Defense: Operational funds sustain enterprise Security Information and Event Management (SIEM) boundary monitoring, endpoint detection and response (EDR), and real-time alerts across multi-cloud and on-premises environments.

Budget Cost Driver Narrative

Retaining and developing a skilled internal technical workforce is vital as KDOL operates complex cloud infrastructure, modernizes legacy systems, and defends critical public data assets.

- Net Salaries and Wages: Sustains internal engineering capacity, core DBA and Data Services staff, infrastructure analysts, cybersecurity engineers, and application developers across the UI Portfolio and Workers Compensation teams. Funding supports the interim operational reassignment of development staff while investing in internal managerial succession planning.
- Contractual Services: Represents unavoidable operational expenditures to maintain, host, and defend the agency's technical footprint. Primary cost drivers include AWS FedRAMP cloud hosting, Microsoft Azure platform consumption, OITS-managed enterprise subscriptions (M365 GCC, Webex Cloud, Accela, Tanium), and Unisys DCaaS storage fees. Migrating non-production workloads out of DCaaS is the primary cost-containment priority under this category. Additional contractual drivers include specialized UI co-development contract resources and secure AI tooling subscriptions.

- Capital Outlay: Accounts for persistent market inflation of 25% to 40% across physical hardware replacement cycles, essential servers, enterprise firewall, core network switch, and client workstation refreshes to ensure obsolete hardware is retired prior to creating operational failure points. Non-expense items account for indirect cost allocations as technical staff transition from capital modernization grants to ongoing operational baselines.

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$3,504,586	$3,691,950	$3,886,186
Contractual Services	$3,674,492	$10,154,459	$11,183,931
Commodities	$6,934	$6,738	$6,901
Capital Outlay	$3,860,219	$862,769	$659,847
Non-Expense Items	$0	$76,371	$95,735

As the IT Division moves to new infrastructure and software platforms, the need for more skilled employees has increased. Over the past several 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 filling of current vacant positions in SFY 2027. Contractual services and capital outlay in this division are closely related based on software/hardware needs of the agency and the contracted services for software setup and maintenance for ongoing enhancements to various agency technology platforms. Therefore, the budget doesn't necessarily reflect where the expenditures will fall depending on the needed accounting tracking structure used. The agency anticipates ongoing technology enhancements as well as increased costs for IT infrastructure. Expenses are expected to increase between these two budget categories. Non-expense items include the expense for indirect cost charges.

Enhancement Request SFY 2028:

The agency requests one enhancement package for SFY 2028. An enhancement request in the amount of $1,000,000 is requests from state general funds for ongoing IT maintenance related to the unemployment insurance system. The system is fully functional; however, ongoing enhancements and related cloud storage continue to increase in cost. The agency would benefit greatly from the additional allocation of state general funds for the upkeep of agency technology systems.

LABOR MARKET INFORMATION SERVICES (LMIS) Priority Ranking per PBB - 4

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. LMI also publishes local area labor market information in support of workforce and education.

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

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. The platform also includes a financial planner that helps users explore the lifestyle and financial considerations associated with different career choices. Additional content, functionality and enhancements are scheduled as part of future releases. KDOL has partnered with the Department of Education and private organizations in this effort.

Strategies:

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

Performance Measures for Objective:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of requests processed within three days.	92.7	93.8	95.0	95.0
Percent of requests processed in more than three days.	7.3	6.2	5.0	5.0
Percent of requests submitted timely.	100.0	100.0	100.0	100.0
OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of requests received.	315	257	275	275

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	1,264,019	1,256,071	1,324,338
Contractual Services	162,921	146,597	149,530
Commodities	10,769	2,539	2,600
Capital Outlay	2,209	1,075	1,106
Capital Improvements	871	0	0
Other Assistance	0	0	0
Non-Expense Items	84,518	97,932	122,812

During SFY 2026 the LMIS division and the OSHS/CFOI division were combined. SFY 2026 actuals reflect the two divisions combined expenses. The decrease in contractual services reflects project startup costs in SFY 2026 for the career exploration platform. The decrease in commodities also reflects project startup costs for marketing items for the career exploration platform in SFY 2026. Non-expense items include the expense for indirect cost charges.

Performance Measures for Unemployment Claims:

Description	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Average weeks of duration	10.5	10.0	11.7	11.6
Number of exhaustions	11,076	9,773	11,267	11,176

Kansas 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 4, 2026

To: Dawn Palmberg
Chief Financial Officer

From: Angela White
Labor Market Information

Subject: FFY 2027 Workloads

The following information has been provided per your request for FFY 2027 estimated workload levels.

Kansas Unemployment Insurance [1/]

	FFY 2027 Total	4th Qtr. 2026	1st Qtr. 2027	2nd Qtr. 2027	3rd Qtr. 2027
Initial Claims	90,180	22,572	22,557	22,537	22,514
Weeks Claimed	480,614	120,451	120,288	120,063	119,812
Nonmonetary Determinations	71,454	17,868	17,866	17,862	17,858
Appeals Dispositions	9,714	2,430	2,429	2,428	2,427

Pandemic Unemployment Assistance (PUA)

	FFY 2027 Total	4th Qtr. 2026	1st Qtr. 2027	2nd Qtr. 2027	3rd Qtr. 2027
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 2027 Total	4th Qtr. 2026	1st Qtr. 2027	2nd Qtr. 2027	3rd Qtr. 2027
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 2027 Total	4th Qtr. 2026	1st Qtr. 2027	2nd Qtr. 2027	3rd Qtr. 2027
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 2026
Initial Claims	62,913
Weeks Claimed	364,137
Nonmonetary Determinations	73,905
Appeals Dispositions	9,663

[1/] Includes KUI, UCFE, and UCX.

KANSAS CLAIMS WORKLOAD PROJECTIONS
All Programs [1/]

Regular Benefits	SFY 2025	SFY 2026	SFY 2027*	SFY 2028*
Initial Claims	72,791	62,913	90,244	89,900
Weeks Claimed	440,851	364,137	481,320	477,524
Nonmonetary Determinations	76,739	73,905	71,465	71,408
Appeals Dispositions	8,136	9,663	9,718	9,698

*Projected data

Projections for SFY 2027 are based on an estimated average employment of 1,506,074 and an estimated unemployment rate of 3.9 percent. Projections for SFY 2028 are based on an estimated average employment of 1,509,170 and an estimated unemployment rate of 3.9 percent.

[1/] Includes KUI, UCFE, and UCX.

KANSAS ESTIMATED ALLOWANCE PAYMENTS
IN SELECTED PROGRAMS

Item	SFY 2024	SFY 2025	SFY 2026	SFY 2027*	SFY 2028*
Unemployment Insurance Payments	$134,514,666	$162,017,504	$145,291,015	$181,058,520	$184,151,308
State	$133,439,058	$154,202,593	$145,137,740	$179,396,511	$182,460,909
UCFE	$712,148	$481,540	$1,091,232	$1,055,424	$1,073,453
UCX	$470,763	$410,594	$550,287	$606,585	$616,947
Employer Contributions	$230,205,283	$165,453,977	$136,314,436	$145,188,101	$138,415,011

KANSAS ESTIMATED ALLOWANCE PAYMENTS
IN SELECTED PROGRAMS

Item	SFY 2024	SFY 2025	SFY 2026	SFY 2027*	SFY 2028*
PEUC	$698,591	$79,616	$0	$0	$0
EB	$11,237	$0	$0	$0	$0
PUA	$1,133,095	$66,028	$561	$0	$0
FAC	$0	$0	$0	$0	$0
FPUC	$2,307,688	$179,370	-$221	$0	$0
LWAP	-$21,137	$0	$0	$0	$0
MEUC	$0	$0	$0	$0	$0

Selected UI Data
SFY 2027 - 2028

	State Fiscal Year				
	SFY 2024	SFY 2025	SFY 2026	SFY 2027*	SFY 2028*
Trust Fund Balance**	$1,443,451,406	$1,488,942,841	$1,535,579,634	$1,548,096,208	$1,550,832,427
Contributions	$230,205,283	$165,453,977	$136,314,436	$145,188,101	$138,415,011
Average Weeks of Duration	11.0	10.5	10.0	11.7	11.6
Number of Exhaustions	8,317	11,076	9,773	11,267	11,176

*Projected data

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

State Fiscal Years 2024 - 2028

	Actual			Projected	
	SFY 2024	SFY 2025	SFY 2026	SFY 2027*	SFY 2028*
Civilian Labor Force (thousands)	1,534,533	1,561,773	1,574,378	1,567,193	1,570,003
Employment	1,486,904	1,503,397	1,514,109	1,506,074	1,509,170
Unemployment	47,629	58,375	60,269	61,119	60,833
Rate (Percent)	3.1%	3.7%	3.8%	3.9%	3.9%
Covered Employment (thousands)	1,396,105	1,405,287	1,409,862*	1,417,060	1,419,373
Insured Unemployment					
Weekly Average	7,336	8,478	7,003	9,256	9,183
Rate (Percent)	0.4	0.6	0.6	0.6	0.6
Separation Rate (Percent)	0.4	0.4	0.4	0.5	0.5

*Projected data

METHODOLOGY FOR DEVELOPING PAYMENT & WORKLOAD ACTIVITY

Payment and workload activity is projected for the state fiscal years (SFY) 2027, and 2028. The state fiscal year runs from July to June, for example the 2026 SFY starts July 2025 and ends June 2026. All projections implement some form of time series model. The majoirty 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 recieving 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 on 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, 2026, the Kansas unemployment trust balance available for benefits was $1.535 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, 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 on 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:

1. A continued emphasis on the training of KDOL benefits staff.
2. A continued emphasis on measurable performance and accountability for KDOL benefits staff.

Performance Measures for Objective #1*:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of intrastate claimants to be issued first payments within 14 days.	77.99	73.1	87.0	87.0
Percent of intrastate non-separation nonmonetary determinations issued within 21 days from the date that benefit eligibility issues are first detected.	75.67	84.9	87.0	87.0

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of initial claims filed for benefits.	72,791	62,913	90,244	89,900
Number of weeks claimed filed for benefits.	440,851	364,137	481,320	477,524

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

Weekly Claims Filing Method. This measure will be discontinued from future UI budget narratives. Following implementation of the modernized UI system, approximately 95% of weekly certifications are completed through self-service channels in FY 2026. As a result, the certification-mode breakdown provides limited additional value for evaluating program performance, resource needs, or customer service trends and will no longer be included as a standard budget narrative measure.

OBJECTIVE #2:

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

Strategies for Objective #2:

1. A continued emphasis on measurable performance and accountability for KDOL tax staff.
2. Continue the EFT program to allow employers to make their tax payments by electronic funds transfer (EFT).
3. Continue to provide employers with the option of paying their contributions with the use of a credit card or by electronic check.

Performance Measures for Objective #2:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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.	93.3	96.6	97.0	98.0
Percent of all employers audited within the calendar year.*	.59	1.0	1.1	1.1
Percent of determinations of employer liability made within 180 days.	92.0	92.6	93.0	94.0

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of tax audits conducted in a calendar year.	503	780	800	825
Amount of employer contributions. **	165.4M	147.1M	137.1M	127.1M

* KDOL's transition to a modernization platform delayed audit production by one quarter in 2025. This is primarily due to the interface of the audit program going live in production after implementation of UITE. KDOL did not meet the USDOL requirement of a minimum of 1% of all employers audited within the calendar year.

**Estimates for the amount of employer contributions decrease as the projections of the trust fund solvency stay strong, which results in lower rates to employers including 0% rates.

OBJECTIVE #3:

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

Strategies for Objective #3:

1. KDOL is conducting a review of its work search policies.
2. KDOL is developing a more robust internal quality control process.
3. Continued communication between appeal levels concerning consistent legal interpretation.

Performance Measures for Objective #3*:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of nonmonetary determinations passing quality standards.	75.0	73.3	75.0	75.0
Percent of lower authority appeals that pass quality standards.	97.5	100	100	100
Average age in days of pending lower authority appeals.	32.2	17.7	20.0	20.0

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of nonmonetary determinations processed.	76,739	73,905	71,465	71,408
Number of appeals decided.	8,136	9,663	9,718	9,698

*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:

1. Ensure employer compliance with the taxing provisions of the law; proper reporting of employee-employer relationships.
2. Promote employer knowledge and understanding of their requirements under the law.
3. Maintain a mutually beneficial employer-Agency relationship.

Performance Measures for Objective # 4:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of identified misclassified workers	1,277	881	900	900
Percent in change per audit investigated	4.1	6.7	7.0	7.0

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of Employer Audit Appeals	12	3	5	5

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

***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.

Records Management

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$583,514	$549,693	$550,733
Contractual Services	$201,194	$83,145	$84,808
Commodities	$1,363	$1,289	$1,315
Capital Outlay	$1,115	$104	$106
Capital Improvements	$0	$0	$0
Other Assistance	$0	$0	$0
Non-Expense Items	$0	$43,920	$52,320

Expenses for records management reflect normal operations. The decrease in salaries reflects efficiencies with the unemployment technology upgrade and the natural attrition of staffing needed. The decrease in contractual services represents the end of the unemployment technology upgrade and the shift to ongoing maintenance of the systems within the unemployment division. Non-expense items include the expense for indirect cost charges.

UI Division Directors

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages	$724,480	$444,359	$466,001
Contractual Services	$120,855	$116,070	$117,391
Commodities	$551	$417	$425
Capital Outlay	$480	$259	$264
Capital Improvements	$0	$0	$0
Other Assistance	$0	$0	$0
Non-Expense Items	$0	$35,504	$44,270

Continued restructuring decreased the salaries from SFY 2026 to SFY 2027. The decrease in contractual services, the closure of the unemployment technology upgrade and the shift to ongoing maintenance of the systems within the unemployment division. Non-expense items include the expense for indirect cost charges.

Unemployment Insurance

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$14,649,595	$14,648,367	$15,469,211
Contractual Services	$4,026,327	$2,827,064	$2,883,604
Commodities	$30,468	$29,504	$30,094
Capital Outlay	$19,797	$6,479	$6,610
Capital Improvements	$199	$0	$0
Debt Service - Interest	$0	$0	$0
Other Assistance	$146,133,540	$179,396,511	$182,460,909
Non-Expense Items	$5,316,801	$1,170,405	$1,469,574

Salaries and wages are expected to be stable for the foreseeable future. The decrease in contractual services reflects the end of the unemployment technology upgrade and the shift to ongoing maintenance of the systems within the unemployment division. Non-expense items primarily include the expense for indirect cost charges.

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 Kansas 21(d) Consultation Program is partially funded by a federal grant. During FY 2026, 268 safety and health consultations were conducted for businesses in Kansas, identifying 742 serious and 470 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 for 9 employers with a total of 143 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 152 active SHARP sites, with 0 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 2026, 294 public and state organizations were inspected covering 1,444 locations and yielding 2,516 hazards. The Safety Training Manager conducted the OSHA 10-hour training class to 12 Public Sector entities with a total of 258 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 2026, 556 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 2026, 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 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:

1. Assist and encourage employers in their efforts to ensure safe and healthful workplaces in Kansas.
2. Maintain the availability of on-site consultation services pursuant to the federal contract.
3. Encourage employers to develop, use and maintain workplace safety and health plans related to the nature of employment.
4. Provide training and education efforts regarding workplace safety and health to employers, employees, and the general public.
5. Promote the training and consultation services offered by the agency.

Performance Measures for Objective #1:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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.

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of Consultations Performed Under the Federal Contract	354	300	300	300
Number of Serious or Imminent Hazards Identified (Federal)	1580	742	1,200	1,200
Number of Educational Seminars, Program Assistance & Presentations Performed	48	47	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:

1. Maintain an effective compliance inspection program in public sector employment.
2. Provide public sector employers information, education and training, materials, and technical assistance in the field of occupational safety and health.
3. Investigate serious/fatal injuries to public employees to determine cause and identify measures required to prevent reoccurrence.

4. Take necessary and appropriate actions when knowing or willful acts occur causing injury to public employees.

Performance Measures for Objective #2:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of Planned Inspections Completed	100	100	100	100
Percent of Total Visits that are for Training and Assistance	1	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

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of Public Sector Inspections Made	293	168	228	240
Number of Worksites Inspected	1,552	1,147	1,193	1,300
Number of Hazards Identified	2,934	1,819	2,000	2,000
Number of Employees Subjected to Identified Hazards	34,591	21,889	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:

1. To maintain a professional relationship with business and insurance entities, related to safety and health in the workplace.
2. To review reports, qualifications and performance of insurance field representatives providing accident prevention services in accordance with K.S.A. 44-5,104.
3. To conduct visits of employer worksites to determine the completeness and accuracy of the hazard identification resulting from accident prevention services.
4. To discuss with employers those factors related to hazards identified or not identified by accident prevention services.
5. To provide training and education to insurance entities and employers related to hazard identification and removal.

Performance Measures for Objective #3:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of Policies Reviewed with Proper Notice	79	78	80	80
Percent of Policyholders Listed Aware of Services	81	78	80	80

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of Employer Job Sites Visited	1,388	1,680	1,500	1,500
Number of Hazards Identified at Employer Sites *	3,056	3,257	3,000	3,000
Number of Employees Exposed at Job Sites	31,029	37,106	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:

1. Maintain a professional relationship with amusement ride owners and operators, related to complying with the Amusement Ride Act.
2. 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.
3. Conduct on-site audits of amusement ride locations to determine compliance with the law.
4. Provide training and education to amusement ride employers related to the amusement ride act.

Performance Measures for Objective #4:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of Owners Registered as an Amusement Ride Owner	100	100	100	100
Percent of Projected Permits to be Issued	100	100	100	100

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of Projected Registered Amusement Ride Owners	177	175	175	175
Number of Projected Permits Issued	1,492	1,856	1,500	1,500
Number of Projected Audits Conducted	53	26	75	75

Narrative Information----- DA-400

Division of the Budget — Agency: Kansas Department of Labor

State of Kansas

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$1,578,702	$1,502,458	$1,586,197
Contractual Services	$574,559	$373,559	$442,209
Commodities	$53,675	$55,465	$56,575
Capital Outlay	$1,647	$321,275	$5,299
Capital Improvements	$0	$0	$0
Other Assistance	$0	$0	$0
Non-Expense Items	$136,588	$102,824	$129,074

During 2026, the division eliminated one position. This is the reason for the decrease in salaries between SFY 2026 and SFY 2027. The decrease in contractual services reflects the completion of the development of the Public Sector software upgrade to continued maintenance costs in SFY 2027. The increase in contractual services between SFY 2027 and SFY 2028 reflects the completion of the Amusement Ride software upgrade and the implementation of an inventory software package and migration to ongoing maintenance costs in SFY 2028. The cost of these two software packages are reflected in SFY 2027 under the capital outlay category.

WORKERS COMPENSATION **Priority Ranking per PBB - 2**

The role of the Division of Workers Compensation 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:

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

The Division of Workers Compensation has offices in Topeka, Wichita, and Lenexa.

Employers, insurance carriers and third-party administrators electronically file accident reports via the Electronic Data Interchange (EDI) system. 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 made in OSCAR including self-insurance permitting, paid loss reports, and assessment invoicing and payments. 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

1. Process applications for benefits, preliminary hearings and post-award claims in a timely and efficient manner.
2. Provide timely hearings on applications for preliminary hearings, pre-trial settlement conferences, regular hearings, and post-award motions.
3. 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.
4. Provide written detailed opinions with findings of facts and conclusions of law.
5. Hold appeal hearings in convenient regions of the state where it is practical to do so.
6. Provide timely hearings on applications for appeals to the Workers Compensation Appeals Board.
7. 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.
8. Schedule mediation conferences within 14 days after receiving the request for mediation.
9. Mediate and resolve disputed issues by mutual agreement of the parties.
10. Produce written agreements on successfully mediated issues for signature by all parties to the agreement.
11. Conduct mediation conferences, when requested, before the scheduled preliminary hearing or regular

hearing.

Performance Measures for Objective # 1:

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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).	937	1044	1044	1044
Number of preliminary hearings held during the fiscal year.	873	728	728	728
Number of regular hearings held during the fiscal year.	441	378	378	378
Number of appeals filed in the fiscal year.	122	92	92	92
Number of pre-hearing settlement conferences held during the fiscal year.	1875	1635	1635	1635

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 insuring 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

1. Conduct utilization and peer reviews of medical costs in individual cases.
2. Monitor compliance with the medical fee schedule.
3. Report on the effect of utilization review and the medical fee schedule as cost containment measures for workers compensation in Kansas.
4. Develop programs and fee schedules which will help contain medical cost growth.
5. 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.
6. Direct or assist with investigation of noncompliance issues.

Performance Measures for Objective 2

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Average number of days from initial report of fraud or abuse to investigation completion (for all investigations completed during the fiscal year).	51	40	40	40
Number of cases investigated for fraudulent or abusive acts that closed within the fiscal year.	377	620	620	620

Number of employers contacted about missing workers compensation insurance coverage during the fiscal year.	290	844	844	844

OBJECTIVE #3:

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

Strategies for Objective 3

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

Performance Measures for Objective 3

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of accident reports processed electronically during the fiscal year.	48021	48041	48041	48041
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.	16100	17571	17571	17571
Average number of days to process election options that are received during the fiscal year.	7	7	7	7

OBJECTIVE #4:

Workers Compensation Services will regulate the issuance of self-insurance permits according to current Kansas Statutes and regulations and manage the Accounting and Business Section.

Strategies for Objective 4

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

Performance Measures for Objective 4

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of individual self-insurance permits at the end of the fiscal year.	83	139	139	139
Number of assessments generated from paid loss reports that were paid late in the fiscal year.	76	46	46	46

OBJECTIVE #5:

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

Strategies for Objective 5

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

Performance Measures for Objective 5

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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.	992	1479	1479	1479
Number of participants attending presentations by Ombudsman unit for presentations given during the fiscal year.	55	220	220	220

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

1. Effectively and efficiently provide up-to-date information relevant to workers compensation in Kansas.
2. Create a forum for an exchange of ideas between medical and legal professionals and others practicing in the field of workers compensation.
3. Provide exhibit space for industry leaders to meet face to face, demonstrate and discuss workers compensation related programs, products and services.
4. 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:

OUTPUT MEASURES	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Total number of attendees at the Workers Compensation Seminar.	355	295	295	295
Total number of attendees at the seminar who received legal continuing education credits.	140	153	153	153
Total number of attendees at the seminar who received nursing continuing education credits.	35	22	22	22
Total number of attendees at the seminar who received case manager continuing education credits.	33	8	8	8
Total number of exhibitors at the Workers Compensation seminar (* denotes year seminar was held remotely).	80	72	72	72

Methodology for Data Collection and Forecasting

This year's Annual Budget Narrative includes only measures that can be collected electronically through the OSCAR system. We believe this improves the quality of statistical reporting and the replicability of the measures found in the report. In some cases, this means that measures that were previously reported are no longer included in the report. In other cases, it means that new measures have been included that were not available before OSCAR.

Measures affected by the structural changes introduced by OSCAR may have very few data points available. This includes measures for which the same data is collected, but the collection method has shifted significantly. These short data sets were forecasted using the naïve method.

Measures whose data collection methods did not significantly change in the shift to OSCAR were forecasted using either moving average methods or exponential smoothing methods with trend and seasonality, where applicable.

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages (net)	$7,234,626	$7,670,714	$8,063,035
Contractual Services	$1,653,354	$1,588,790	$1,620,566
Commodities	$77,662	$81,414	$83,042
Capital Outlay	$12,394	$12,642	$412,895
Capital Improvements	$4,092	$0	$0
Non-Expense Items	$727,913	$620,030	$773,271

The workers compensation division has a long-term stable workforce. Expenses reflect ongoing operations for the division with no significant increases or decreases expected. In SFY 2028 there is a planned system upgrade for the workers compensation injury and claims electronic reporting system. The upgrade is estimated to cost $400,000.

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 2026, Labor Relations coordinated all impasses (6), prohibited practice complaints (9) and representation elections (4). 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:

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

OBJECTIVE #1:

Labor Relations will provide public employees and public employers with 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:

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:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of unit determination, certification and representation cases processed.	6	5	6	6
Number of unit certification and representation elections conducted.	5	6	6	6

OBJECTIVE #2:

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

Strategy for Objective #2:

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

Performance Measures for Objective #2:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of impasse cases processed.	10	6	8	8

OBJECTIVE #3:

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

Strategies for Objective #3:

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

Performance Measures for Objective #3:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of prohibited practice cases processed.	5	9	9	9
Number of prohibited practices requiring KDOL to hear cases under appeal.	1	0	2	2

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 2026, the agency returned $946,000.00 dollars of earned wages to employees working in the State of Kansas. Employment Standards received 1,381 and closed 998 cases during the fiscal year.

In addition, Employment Standards addresses hundreds of inquiries on a weekly basis that require knowledge of programs within KDOL and other governmental agencies.

These inquiries include complaints relating to alleged violations of K.S.A. 44-1131 through 44-1133. Since 2006, KDOL has been tasked with enforcing violations of these statutes, which prohibit employers from terminating, discriminating, or retaliating against victims of domestic violence or sexual assault for taking statutorily authorized leave from work. KDOL does not currently have a formalized process in place, but Employment Standards received complaints periodically throughout the years from the public, including from attorneys and victim advocacy organizations, which have been sent to the Chief Counsel. The agency

requests funding to better serve this currently unfunded area that KDOL is required to enforce.

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:

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

OBJECTIVE #1:

To 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:

1. Closely review incoming claims to assure jurisdiction and completeness.
2. 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.
3. Resolve claims prior to the administrative hearing through mediation.
4. Commence on-site auditing of records within 30 days of receipt of overtime claim.
5. Increase training in auditing procedures involving all investigators in the processing of overtime cases.
6. 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:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of regular wage claims filed.	725	1,381	1,500	1,500
Number of claims for minimum wage/overtime filed.	5	5	5	5
Total dollar amount of wages collected.	700,000	946,000	1M	1M
Total dollar amount of minimum wage/overtime wages collected.	600	500	500	500

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Number of claims served.	675	1,279	1,400	1,400
Number of claims closed.	625	998	1,200	1,200

Number of hearings set.	115	225	275	275
Number of hearings held.	100	197	220	220
Number of claims for minimum wage/overtime investigated and decisions rendered within 90 days.	5	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:

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

Performance Measures for Objective #2:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of child labor complaints investigated within five days.	425	100	100	100

OUTPUT MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
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 submit any negative findings to the County Attorney within 120 days of receipt.

Strategies for Objective #3:

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

Performance Measures for Objective #3:

OUTCOME MEASURES:	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Percent of private employment agencies complaints having decision rendered within 120 days.	N/A	N/A	N/A	N/A
Number of new private employment licenses issued.*	1	0	1	1
OUTPUT MEASURES:	**SFY 2025**	**SFY 2026**	**SFY 2027**	**SFY 2028**
Number of private employment agency complaints received.	0	0	0	0
Number of private employment agency complaints investigated, and decisions rendered within 120 days of receipt.	0	0	0	0
Number of private employment requests for licensing, paying fee, securing surety bond and renewing license.**	8	5	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:

To 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:

1. Create a formal process on how KDOL handles complaints filed to the agency.
2. 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.
3. Provide training for conciliators relating to serving victims of domestic violence or sexual assault.

Labor Relations and Employment Standards

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages	$291,255	$296,215	$312,094
Contractual Services	$25,837	$24,484	$24,973
Commodities	$1,679	$1,701	$1,735
Capital Outlay	$186	$31	$32
Capital Improvements	$149	$0	$0
Other Assistance	$0	$0	$0
Non-Expense Items	$30,961	$35,000	$35,000

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.

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 with funding that is expended at another agency or charged to various divisions within KDOL.

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 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages	100,809	91,266	96,816
Contractual Services	16,984	18,923	19,302
Commodities	217	224	228
Capital Outlay	185	189	193
Capital Improvements	0	0	0
Other Assistance	0	0	0
Non-Expense Items	10,386	7,292	9,198

The New Hires program falls under Records Management and the team balances their workload between the Unemployment program and the New Hires program. Efficiencies recognized during the unemployment insurance technology upgrade will help reduce payroll for this program. No other substantial increases or decreases are expected for this 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 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Salaries & Wages	151,203	266,302	281,187
Contractual Services	35,658	32,943	33,602
Commodities	1,661	1,651	1,684
Capital Outlay	557	534	545
Capital Improvements	0	0	0
Other Assistance	0	0	0
Non-Expense Items	13,958	21,278	26,713

The increase in salaries is due to the division focusing more on this program. No other substantial increases are expected for this 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-nine vehicles.

SFY 2027 Vehicle Replacements

- No vehicles are scheduled to be replaced in SFY 2027

SFY 2028 Vehicle Replacements

- Vehicle 16917 is a 2015 Ford Focus with 128,243 miles as of June 30, 2026. This vehicle is used by Industrial Safety and Health and is located in Freeport with average mileage of 489 miles per month.
- Vehicle 18175 is a 2018 Ford Fusion with 126,095 miles as of June 30, 2026. This vehicle is used by Industrial Safety and Health and is located in Independence with average mileage of 1,378 miles per month.

The agency has spent $11,817.68 in repairs including regularly scheduled maintenance charges over the life of these two vehicles.

Description	SFY 2026 Actual	SFY 2027 Budget	SFY 2028 Budget
Contractual Services	$36,827	$37,995	$39,135
Commodities	$35,488	$37,670	$38,800
Capital Outlay	$0	$0	$66,000

CAPITAL IMPROVEMENT PROJECTS: **Priority Ranking per PBB - 6**

In SFY 2027, the Kansas Department of Labor budgeted $115,709 of Worker's Compensation funds and $173,563 of State General Funds for general rehabilitation and repair of agency owned buildings. Additionally, the Department budgeted $569,210 including an increase to match reappropriated SGF in the amount of $105,210 from Workers Compensation funds and $871,328 from State General Funds. Projects included in SFY 2027 include seal, overlay and restripe parking lots, reconfiguration of the 3rd floor at the KDOL Administration building, adding walled offices at the KDOL Eastman building, preparing land and adding parking to land purchased adjacent to the KDOL Eastman building, replace commercial exhaust fans at the Administration and Eastman buildings, repair concrete steps at the Administration building, and transferring the intercom system from the KDOL 1309 building to the Administration building. The transfer of the intercom system will update the system in the Administration building as we are preparing to sell the 1309 building. Through renovations of the two main buildings owned by KDOL, we have found efficiencies and are now able to downsize our office footprint. With continued rising costs of contractual services, commodities and staffing, we continue to look for ways to cut costs. Our goal is to sell the 1309 building during SFY 2027.

Supplemental Request SFY 2027:

A supplemental request in the amount of $105,210 is requested from the workers compensation fee fund to match the state general fund reappropriation in capital improvements. The reappropriation request is for two projects that were in the design phase prior to the close of the 2026 fiscal year but were not complete and approved to go out for bid.

3. Renovation of the third floor at the KDOL administration building. Estimated construction cost is $200,000. This project is currently out for bid.
4. Demolition of the building on the purchased property adjacent to the Eastman building and construction of a parking lot. This project is currently in the land survey stage and will then go out for bid. The remainder of the reappropriation will be used for this project as well as funding from the 2027 capital improvement budget. The project's estimated cost is $500,000.

SFY 2028

In SFY 2028, The Kansas Department of Labor budgeted $64,000 of Worker's Compensation funds and $96,000 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 replacement of the roof at the Eastman building and replacement of the windows at the Administration building.