



A GOVERNMENT TECHNOLOGY CASE STUDY



How Kansas modernized unemployment insurance **the smart way**

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Introduction

For decades, the Kansas Department of Labor (KDOL) scraped by with a legacy unemployment insurance (UI) system created during the 1970s. Unsuccessful attempts to upgrade had left the agency with a fragmented platform.

The situation worsened overnight during the pandemic. Kansas' unemployment rate spiked from 3% to 12%.¹ Calls from claimants who had lost their jobs skyrocketed from approximately 1,500 a day to 1.3 million a day in March 2020.

The UI system was on the verge of catastrophic failure. Claimants couldn't access the site, callers couldn't get through, and benefits were denied or arrived late in many cases.



The importance of continual evolution

When Amber Shultz took the helm as secretary of KDOL in January 2021, she took steps to stabilize the system and forge a path forward.

"Success meant ensuring Kansas would never again be in the position where our unemployment insurance system could not serve Kansans at their time of most need," Shultz says.

First and foremost, KDOL had to shift from a reactive mindset to a proactive, adaptive approach.

"This was not intended to be a one-time project," Shultz says. "The pandemic made it painfully clear what happens when a core system remains stagnant for too long. We were not going to repeat that mistake."

KDOL partnered with Amazon Web Services (AWS) and Tata Consultancy Services (TCS) to design a high-performance, cloud-based unemployment benefits system capable of scaling to meet the agency's evolving needs. That included not only future spikes in demand but also changing security needs and emerging technologies.

"AWS and TCS worked with us to implement identity and access controls that exceeded our current standards," says Shultz. "Similarly, artificial intelligence was barely even a conversation at the dinner table when the project began. Today, because of the way we have architected the system, we have multiple AI-driven pipelines that are enhancing the claimant experience, improving efficiencies, and strengthening the integrity of the system."

Implementing in record speed

Implementation was initially estimated to take three to five years. Instead, KDOL completed the project in just 29 months.

Kansas achieved one of the fastest UI modernizations in the country because of its existing modernization framework, which allowed KDOL to move quickly with purpose rather than panic. The framework was a ready-to-go plan created by the state when it

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had identified the UI system as a “system of risk” in 2019. The plan included a forward-looking mindset, cross-functional leadership alignment, and pre-established goals for scalability, resilience, and user experience.

“We were able to build a system that is resilient, adaptable, secure, and, most importantly, capable of evolving,” Shultz says. “We built a system that supports employers, claimants, and fraud prevention not just today but whenever we face an economic downturn in the future.”

Rebuilding public trust

KDOL’s UI system has strengthened public trust in two key ways.

First, claimants can be confident the system will work when they need it. Uptime is nearly 100%.

Second, employers, claimants, and government officials are reassured that confidential data remains secure. Over the last few years, criminals have launched numerous cyberattacks against UI systems across the country. Because of the best-in-class tools available in AWS, KDOL is prepared to detect and block emerging threats.

Improving employee retention

Enhanced self-serve features have led to claimants and employers completing tasks online 90% of the time, day or night. Meanwhile, customer service representatives can focus on complex cases. KDOL has seen a massive reduction in claims processing time as a result.

Morale is higher at KDOL because staff no longer spend hours managing backlogs and rigging manual workarounds for the legacy system. The voluntary turnover rate at the call center shrank to 15%, compared to 91% during the pandemic.

“This project has created new professional development opportunities, so they are staying and growing with us,” Shultz says.

In addition, advanced data analytics and a clear source of truth are accelerating decision-making. For example, Shultz says she now has access to dashboards and can get information herself whenever she needs it. In the past, she had to ask a data analyst to run a report and wait a week for the results.

Conclusion

KDOL’s transformation is designed to endure. The agency refrained from a short-term fix in favor of adopting what it describes as a forever-modern roadmap with a focus on continuous improvement.

“We have created a fundamental cultural shift that moves beyond technology. We’ve strengthened resilience and reinforced our long-term stewardship to a core public trust,” Shultz says.

The agency’s comprehensive approach to UI modernization can serve as a useful model for other government departments looking to create effective and lasting change.

“Other agencies are looking to KDOL,” says AWS Account Manager Katrina Lewison. “They are paving the way for what a modern constituent platform and engagement look like.”



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1. https://www.kslegislature.gov/li_2022/b2021_22/committees/ctte_ot_unemployment_compensation_modernization_1/documents/testimony/20210624_06.pdf

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