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| <b>TRAINING AND EMPLOYMENT<br/>NOTICE</b> | <b>NO.</b> 28-14           |
|   | <b>DATE</b> March 27, 2015 |

**TO:** STATE WORKFORCE AGENCIES

**FROM:** PORTIA WU /s/  
Assistant Secretary

**SUBJECT:** Pre-Implementation Planning Checklist for State Unemployment Insurance (UI) Information Technology (IT) Modernization Projects

1. **Purpose.** To announce the availability of a pre-implementation planning checklist to assist state UI agencies in preparing to launch modernized UI IT systems that support administration of UI benefits and/or tax operations.

2. **References.**

- Section 303(a) of the Social Security Act (SSA);
- Section 911(a) of the Social Security Act (SSA);
- Unemployment Insurance Program Letter (UIPL) No. 33-94, *Unemployment Insurance (UI) Information Technology Support Center*;
- UIPL No. 26-11, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 18-12, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- UIPL No. 24-13, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*; and
- UIPL No. 13-14, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*.

3. **Background.** For decades, state UI agencies have relied on technology to process UI claims and support the administration of the UI program. Over the past 20 years, state UI agencies have transitioned from manual, paper-driven processes to using telephones, on-line websites, and computer-based systems to support interactions with claimants and employers. State UI agencies continue to evolve their processes and adopt newer technologies to support the program. The UI program involves complex processes to support important business functions such as claims taking, claims adjudications, benefit payments, appeals, integrity operations, employer tax rate calculations, tax assessments, delinquency enforcement, and collections. These business functions and the underlying complex processes involved in UI rely on significant IT infrastructure and operations. Technology has enabled states to provide around-the-clock UI program information and these claimants and employer self-service web services have also helped contain administrative costs.

The Employment and Training Administration (ETA) created the Information Technology Support Center (ITSC) in 1994 through a cooperative agreement with the State of Maryland to develop products and services, and to support state UI agencies with their IT needs (see UIPL No. 33-94). In 2009, the National Association of State Workforce Agencies' Center for Employment Security Education and Research (NASWA/CESER) became the operator of ITSC. The mission of ITSC in recent years has focused on supporting states' UI IT modernization efforts.

In July 2010, ITSC issued a report entitled *A National View of UI IT Systems*. The report noted that the vast majority of UI IT systems are old and based on outmoded programming languages. At the time of the report, the average age of state UI benefits IT systems was 22 years and the oldest system was 42 years. The average age of state UI tax systems was 24 years and the oldest was 41 years. In recent years, a number of states have pursued much needed UI IT modernization efforts. States have encountered many challenges taking on these significant projects, especially during times of unprecedented increases in workload as a result of the Great Recession. Some states that have developed new modernized systems experienced implementation difficulties resulting in disruption of services to customers and delays in benefit payments to eligible unemployed workers.

For the past few years, ETA has been investing in the state's UI IT modernization efforts through supplemental budget opportunities (see UIPL Nos. 26-11, 18-12, 24-13 and 13-14). These opportunities supported states pursuing a consortia approach to jointly develop UI IT systems by leveraging commonalities across the UI program, and to maximize cost efficiencies by sharing maintenance and operating costs for these IT systems. In addition, many other states are working on individual UI IT modernization projects that are in varying phases of completion. As a result, the ITSC's primary focus has been on helping states implement successful modernized systems.

In 2012, ITSC developed a *UI Business Process and IT Modernization Guidebook and Wiki (Wiki)*, which is located on the members' only section of the ITSC website, *itsc.org*. The Guidebook is a valuable resource of lessons learned and recommended practices for state UI agencies to consider when engaging in UI IT modernization projects.

ETA has responsibility to ensure state UI agencies operate with methods of administration reasonably calculated to ensure full payment of unemployment compensation when due (Section 303(a) (1), SSA). Additionally, the methods of administration to ensure full payment of unemployment compensation when due include the need for states to have the necessary systems in place for collection of contributions to the trust fund for benefit payments. In furtherance of this responsibility and to support states in their UI IT modernization efforts, ETA requested ITSC to develop a pre-implementation planning checklist for states and consortia to use prior to launching a new UI IT system. The checklist is expected to verify that all necessary system functions are available and/or that alternative workarounds are developed prior to the production launch of the UI IT system to help avoid major disruption of services to UI customers and to prevent delays in making UI benefit payments to eligible claimants.

4. **UI IT Modernization Pre-Implementation Planning Checklist.** Building on lessons learned from previous state implementations of modernized UI IT systems, ITSC has developed a UI IT Modernization Pre-Implementation Planning Checklist for states to use prior to “going live” with a new system. This comprehensive checklist denotes critical functional areas that states should verify prior to launching including, but not limited to, technical IT functions and UI business processes that interface with the new system. The list of critical areas identified in the checklist includes, among others, verification for essential benefit and tax functions, Interstate Connection (ICON) network and UI reporting interfaces, system error handling, and end-user support mechanisms. It also covers alternate access options and usability issues, policies and procedures to be developed and disseminated, technical preparation, call center and customer service operations, staffing and staff training on new system operations, help desk support, management oversight, vendor support and communications. ETA believes that the use of this checklist as a verification tool will help states ensure the availability of mission critical functions as the state prepares for the launch of a new system.

The pre-implementation planning checklist has been posted to the “members only” section of the ITSC website as part of the Wiki on the site. Over the next few months, ITSC will add a chapter to the Wiki by incorporating state strategies that support these activities and cross reference the checklist to other chapters in the Wiki where appropriate. A copy of the checklist is attached to this guidance.

ETA strongly recommends that individual states and state consortia use this checklist as a planning tool and to revisit these critical elements again as the state or consortium is within at least 6 months of “going live” with a newly modernized UI IT systems.

5. **Proposed Reporting and Information Collection.** Because the launch of a newly modernized UI IT system is so interrelated with a state’s ability to administer its UI program and to ensure that core functions of the UI program are not jeopardized in the process of transitioning to a new IT system or systems, ETA intends to require states to submit a plan that provides information on key tasks identified in the UI IT Modernization Pre-Implementation Planning Checklist at least 6 months prior to the state’s projected “go live” date. ETA is currently developing a pre-implementation plan template to gather information on the states’ UI modernization activities. An information collection request will be presented for the Office of Management and Budget’s (OMB) approval. The pre-implementation plan will be primarily for the benefit of the state to ensure it has appropriately considered and prepared for the key tasks identified in the checklist prior to implementing a new UI IT system. The reported information collected will be used by ETA to identify technical assistance needs and provide appropriate assistance to support the state in implementing its new IT system(s). ETA will seek comments through the Federal Register on the proposed reporting and information collection as part of the Paperwork Reduction Act clearance process. ETA will notify states upon publication of the Federal Register Notice and will issue additional guidance to states upon OMB approval of the information collection

process. ETA anticipates this information collection to be in place for states implementing new systems to begin reporting in Quarter 1 of Fiscal Year 2016.

6. **Action Requested.** State Administrators are requested to provide this guidance to appropriate staff, including UI Directors, IT Directors, Project Directors and Change Management Officers.
7. **Inquiries.** Questions should be directed to the appropriate Regional Office.
8. **Attachment.** UI IT Modernization Pre-Implementation Planning Checklist

## **Unemployment Insurance (UI) Information Technology (IT) Modernization Pre-Implementation Planning Checklist**

### **Functionality is Fully Available or Workaround in Place for the following:**

- All benefit and tax functions have been fully tested and are fully operational (unless work around planned for and tested) including, but not limited to:
  - Claims Filing (For all supported programs: Regular UI, Unemployment Compensation for Federal Employees, Unemployment Compensation for Ex-Servicemembers, Combined Wage Claim, Disaster Unemployment Assistance, Trade Readjustment Allowances, any extensions, etc.);
  - Monetary determinations;
  - Non-monetary determinations (separation and non-separation issues including automated holds that flags issues requiring adjudication);
  - Continued Claims processing;
  - Benefit payment mechanisms (direct deposit, debit card, checks);
  - Employer liability determinations;
  - Tax rate computation;
  - Employer Delinquency Enforcement;
  - Employer Tax and Wage report processing;
  - Benefit Charging; and
  - Appeals.
- Federal reporting, including Benefit Accuracy Measurement (BAM) and UI Data Validation
- State UI program management reporting (for example: tracking of initial and continued claims by age), management dashboard, ad hoc and system logging reports, as needed
- Interfaces with call center operations
- Interstate Connection (ICON) network interface
- Other external interfaces, such as those required to retrieve wage record data, automatic cross matches for identity or other integrity purposes, etc.
- System generated forms and correspondence
- Printing processes
- Imaging and scanning, as needed
- Batch Processes, including execution timelines
- Workflows verified and adjusted by conducting thorough review of system generated issue flags/trigger to ensure they are necessary
- System error handling
  - Ensure process is in place to identify, track, and address system errors;
  - Procedures developed to document and communicate any system work-around or resolution
  - Ensure Help Desk available to support staff
- Ensure workarounds are established and fully tested and exercised with staff for system functionality that is deferred or necessary to address known system issues

- Business knowledge is transferred to appropriate agency/staff on how to operate the system, including role management, configuration settings and management, dashboards and reporting
- End user support, problem reporting and resolution protocols are in place

### **External Alternate Access Options and Usability Issues Addressed**

- In compliance with ETA guidance, the system supports alternative access options for individuals with barriers to filing by phone or on-line such as those with Limited English Proficiency (LEP), disabilities, literacy issues including computer literacy, computer access issues, etc.
- Websites and other forms of communications (for example, brochures, posters) are in place to clearly identify alternative access points that effectively communicate to the population with such barriers
- All staff are fully trained on how to assist individuals with access barriers to alternative filing options
- Staff and customer system access to the new system are defined including process for migrating existing credentials and/or establishing new credentials
- Other Usability
  - Websites meet 508 compliance standards and are translated for identified significant population language groups within the state
  - On-line Web screen content is clear, understandable (preferably tested by appropriate customer population)
  - Ensure Interactive Voice Response (IVR) phraseology is clear and understandable

### **Policies/Procedures Development and Dissemination**

- Policy and procedural changes coinciding with UI system modernization are developed and disseminated
- Policies for data security including those for handling privacy and confidential data are developed and disseminated
- Policies for data retention and data disposal are developed and disseminated
- Staff is fully trained on new policies and procedures
- Any updates to organizational structure are coordinated with human resources department and disseminated agency-wide
- Any new or modified roles are clearly defined, and staff are appropriately trained

### **Technical Preparation**

- Data conversion is complete and successful
  - New system results have been checked and reconciled against legacy system results
  - Spot check for particular areas of interest is complete
  - System blackout period is benchmarked, if appropriate
- Independent Verification & Validation conducted, as needed

- Bridging processes between applications/systems in place as needed (for example, new benefits system to legacy tax system or the inverse)
- Comprehensive User Acceptance Testing (UAT)
  - UAT conducted with positive results and conducted again following system changes, if needed
  - System defects are systematically tracked and remedied
  - Defect tracking processes are in place post “go-live” (in conjunction with development vendor)
  - System help is verified
  - Logging and exception handling is verified
- Capacity is developed to rapidly identify system flaws and make immediate fixes
- Contingency/Back-up plan is in place if new system fails – particularly if no overlap of legacy and new system at “go live” point
- Incoming phone capacity (lines and staff) are adjusted for anticipated increases in call volume
  - Call Centers, as applicable
  - Any other Agency unit that will conduct triage of system issues with customers
- “Go-Live” decision points (show stoppers) outlined and followed
- System performance is checked under peak user loads, including complex transactions, prior to go-live
- System availability
  - Demonstrated system availability under heavy loads for sustained period of times
  - Monitor computing resource consumption (processors, memory, Input/Output, etc.)
- IT system operations reporting, including management dashboard, ad hoc reports, and system logging and audit trails is available, as needed
- Production configuration is defined and in place
- Automated production build /testing/environment promotion processes are in place for post-deploy defect fixes and enhancements
- All agency users and their roles are established and verified in the system
- Data and system security verified and validated, including those required for data exchanges for Social Security Administration, Treasury Offset Program interfaces
- Other internal system controls are verified and validated to ensure security and confidentiality of data
- IT knowledge transfer to ensure agency can maintain and support the system
- Transition planning and execution post-warranty or maintenance phase is validated with the vendor
- Service delivery strategies at “go-live”
  - Ensure service delivery strategies are clearly identified, made known to staff, and fully communicated to customers
  - Ensure adequate communications regarding expectations to customers if black-out periods are utilized,

### **Call Center /Customer Service Operations**

- Call Center standard operational procedures adapted, as appropriate
- Call Center Staff and/or customer service representatives (CSRs) are fully trained
  - CSRs/agents participated in system UAT
  - CSRs/agents, supervisors, managers trained in the use of the new system
  - Cross train staff and/or staff augmentation, particularly to manage inquiries
- Modernization system and operations help desk information provided to all front-line CSR staff
- Front-line and management staff trained on the triage process when a system issue arises, and issue escalation processes are clearly defined and understood by staff
- Scheduled team meetings daily and, as needed, to address:
  - New System Issues
  - Customer Complaints
  - New operational or procedural issues

### **Staffing/Staff Training on New System Operations**

- Training materials and tools to support new processes (desk guides, handbooks, etc.) are fully developed and provided to management and staff
- Management and staff fully trained on new system features and operations as it relates to their specific job responsibilities
- Additional Staffing Needs Identified and Secured for:
  - Call Center (calls can dramatically increase after an implementation)
  - Adjudication Staff (new systems tend to have the ability to raise more issues that require adjudication)
  - Appeals Staff (appeals tend to go up after an implementation)
  - Other support functions such as integrity-related activities

### **Staff and Customer Help Desk Support**

- Procedures established for escalation processes, triage processes of system technical or functional issues, communication channels, and coordination with Call Centers as applicable
- Dry-runs of procedures with Help Desk staff
- Adequately staffed with modernization testers / Subject Matter Experts/Business Analysts, and Project Team members
- Contact information is published and disseminated to appropriate personnel
- Procedures to categorize and track system issues based on help request (e.g., credential/access issue, performance, questions needing clarification, etc.) are in place



**Management Oversight**

- Managers are fully trained on management features and reporting processes in the system
- Managers are prepared to support staff if system issues arise
- Additional management meetings are scheduled during transition to identify and resolve issues

**Vendor Support/Communications**

- Process for addressing post implementation system fixes with vendor is in place prior to implementation
- Processes for tracking and scheduling post-implementation system issues are in place
- Routine, daily meetings with the vendor during transition scheduled to identify and prioritize system issues for as long as needed
- Ensure a process to track the implementation of any deferred functionalities

**Communications**

- Staff Communications
  - Staff are fully briefed on implementation plan (in addition to being fully trained)
  - Staff are provided with clear instructions on how to handle system issues if they arise
- Claimant and Employer Communications
  - Employer and Claimant outreach for the roll-out of new system
  - System “go-live” date disseminated
  - System black-out period, if needed, and methods to conduct business during this phase will be clearly communicated
  - Agency contact information is disseminated
  - System “how-to information” provided
- Public Communications
  - State stakeholders notified in advanced
  - System go-live date disseminated
  - System black-out period, if needed, is communicated