

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. xx-15, Change 1.

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU
Assistant Secretary

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

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

2. References.

- Section 303(a) of the Social Security Act;
- Section 911(a) of the Social Security Act;
- Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112-96);
- 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*;
- UIPL No. 13-14, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*;
- Training and Employment Notice (TEN) No. 16-13, *New Unemployment Insurance Interstation Connection (UI-ICON) Web Applications Related to UI Integrity*
- TEN No. 34-13, *Publication of the Final Rule for the Federal-State Unemployment Insurance (UI) Program - Data Exchange Standardization as Required by Section 2104 of the Middle Class Tax Relief and Job Creation Act of 2012*
- TEN No. 28-14, *Pre-Implementation Planning Checklist for State Unemployment Insurance (UI) Information Technology (IT) Modernization Projects*

- 3. Background.** For decades, State UI agencies have relied on technology to process UI claims and administer the UI program. Over the past 20 years, State UI agencies have transitioned to using telephonic and on-line computer services. State UI agencies continue to evolve their processes and adopt newer types of technological advances to support the program. The UI program involves many complicated processes and transactions supporting claims taking, claims adjudications, appeals, integrity operations and tax assessments 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 automated claimants and employer web services have also helped contain administrative costs.

The Employment and Training Administration (ETA) Office of Unemployment Insurance (OUI) created the Information Technology Support Center (ITSC) in 1994 through a cooperative agreement with the State of Maryland to develop products and services as well as to support state UI agencies' IT needs. ITSC became a division of National Association of State Workforce Agencies' Center for Employment Security Education and Research in 2009. The mission of ITSC in recent years has focused on supporting state efforts in UI IT Modernization.

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.

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, thereby maximizing 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.

States have encountered many challenges taking on these significant projects, especially during times of unprecedented increases in workload as a result of the recent recession. Some states that have developed new modernized systems have experienced implementation difficulties resulting in disruption of services to customers and delays in benefit payments to eligible unemployed workers.

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. In addition, 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 was announced in TEN xx-14 on month, day, 2015

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 is requiring that states prepare and submit a Report to ETA prior to launching a new UI IT system to ensure that the items identified in the pre-implementation checklist have been appropriately addressed.

4. **UI IT Modernization Pre-Implementation Planning Checklist.** Building on lessons learned from previous state implementations of modernized UI IT systems, ITSC developed a UI IT Modernization Pre-Implementation Planning Checklist for states to use prior to “going live” with a new system. The checklist can be used 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. This will help avoid major disruption of services to UI customers and should help prevent delays in making UI benefit payments when due. 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 comprises ten (10) distinct topics:

1. Functionality (Fully Available or Workaround in Place)
2. External Alternate Access Options and Usability Issues Addressed
3. Policies/Procedures Development and Dissemination
4. Technical Preparation
5. Call Center /Customer Service Operations
6. Staffing/Staff Training on New System Operations
7. Staff and Customer Help Desk Support
8. Management Oversight
9. Vendor Support
10. Communications

ETA believes that the use of this checklist as a verification tool will help ensure the availability of mission critical functions as the state prepares for the launch of a new system. In addition, ETA believes States will be better prepared for launch of a new system by complying with the items on the checklist. Upon submission to the Federal Government, the collection will also enable ETA to review the checklist and provide appropriate technical assistance.

5. **Completion of the Pre-Implementation Checklist Report.** To meet its responsibility to ensure that states are prepared to launch and go-live with newly developed and modernized

UI IT operating systems, ETA has developed a Report. A state is required to certify that it has addressed the items detailed in the UI IT Modernization pre-implementation checklist.

The UI IT Modernization pre-implementation checklist Report 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 information collected in the Report will also be used by ETA to identify any technical assistance needs and provide appropriate technical assistance to support the state in implementing its new IT system.

This Report is due to ETA at least 6 months prior to the state's projected "go live" date.

6. **OMB Approval.** On [insert date], the Office of Management and Budget approved the certification and data collection process, in accordance with the Paperwork Reduction Act of 1995. The approval number is OMB No. [insert number].
7. **Action Requested.**
 1. State Administrators are requested to provide this guidance to appropriate staff, including IT Directors, UI Directors, and Change Management Officers;
 2. State UI Agencies that are developing new major IT system modernization projects or are planning such projects should review the checklist in Attachment A and ensure that they are preparing appropriate plans and implementing these necessary pre-launch activities.
 3. State administrators must comply with the requirements to provide a certified Report concerning the pre-implementation checklist to ETA in accordance with the instructions provided with the Report at least 6 months prior to launching or "going-live" with any new UI IT Modernized system.
8. **Inquiries.** Questions should be directed to the appropriate Regional Office.
9. **Attachment.** Attachment A: UI IT Modernization Pre-Implementation Planning Report and the associated Instructions.