

<b>TRAINING AND EMPLOYMENT 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