# Attachment A – Reference Form

# 8.2

Deloitte provides the following completed Attachment A – Reference Form.

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ATTACHMENT A – REFERENCE FORM

Respondent's Name: Deloitte Consulting LLP

Please provide at least two (2) Contact Names for each reference.

| | |
|---|---|
| Company Name: | Minnesota Department of Employment and Economic Development (DEED) |
| Address: | First National Bank Building<br>332 Minnesota Street, Suite E200<br>St. Paul, MN 55101-1351 |
| Contact Name: | Kathy Nelson |
| Contact Phone: | +1 651 259 7225 |
| Contact Email: | kathy.nelson@state.mn.us |
| Alternate Contact Name: | Jim Hegman |
| Alternate Contact Phone: | +1 651 259 7227 |
| Alternate Contact Email: | Jim.Hegman@state.mn.us |
| Description of Work: | The State of Minnesota initially hired Deloitte to design, develop, and build the first phase of its new UI system. The two-year contract included design and construction of a complete UI Tax system along with Employer and Applicant Self-Service applications. Deloitte implemented its unemployment insurance framework, uFACTS - a solution framework that encompasses the functionality needed by state UI programs. The application framework and its accompanying design documentation provide Deloitte's clients a jumpstart for their own distinct systems replacement projects.<br>*Additional detailed information has been provided below.* |
| Service Dates: Dates must demonstrate at least one (1) continuous year | June 2003 To October 2007 |
| Approximate Contract Value: | $42,000,000 |

*An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.*

| | |
|---|---|
| Company Name: | New Hampshire Department of Employment Security |
| Address: | 32 South Main Street<br>Concord, NH 03301 |
| Contact Name: | Dianne Carpenter |
| Contact Phone: | +1 603 228 4018 |
| Contact Email: | Dianne.M.Carpenter@nhes.nh.gov |
| Alternate Contact Name: | Darrell Gates |
| Alternate Contact Phone: | +1 603 228 4064 |
| Alternate Contact Email: | Darrell.L.Gates@nhes.nh.gov |
| Description of Work: | This project includes requirements validation, a fit/gap analysis, system design, development, and implementation for all UI Benefits functions for the State. Rather than building a new Benefits system, New Hampshire chose to have Deloitte transfer the Java-based Benefits system it built for the State of Ohio. The project began with a requirements validation and identifying any gaps in the transferred ("base") system. The New Hampshire Unemployment Insurance System (NHUIS) was competed and deployed in August 2009.<br>The base system was built using a Java frontend, giving staff, claimants, and employers the ability to access the system via a web browser. The backend is in COBOL, giving the state a platform in which their technical staff has deep experience and is comfortable supporting.<br>New Hampshire's goals in replacing their legacy system were straightforward:<br>• Provide a platform that is better able to support the increasingly complex changes to UI law (both at the federal and state level).<br>• Provide better customer service by introducing a web channel for claimants and employers.<br>• Improve internal productivity by greatly reducing the amount of manual work required to process claims and to adjudicate.<br>• Do so in a manner that minimizes overall risk to the State.<br>*Additional detailed information has been provided below.* |
| Service Dates: Dates must demonstrate at least one (1) continuous year | November 2006 To August 2009 |
| Approximate Contract Value: | $13,000,000 |

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| | |
|---|---|
| Company Name: | New Mexico Department of Workforce Solutions - Unemployment Insurance Tax System Modernization (UITSM) |
| Address: | 401 Broadway NE |
| Contact Name: | Roy Chandler |
| Contact Phone: | +1 505 841 8075 |
| Contact Email: | roy.chandler@state.nm.us |
| Alternate Contact Name: | Julie Lopez-Casaus |
| Alternate Contact Phone: | +1 505 841 8398 |
| Alternate Contact Email: | Julie.Lopez-Casaus@state.nm.us |
| Description of Work: | This project includes business process reengineering, system design, development, and implementation for relevant aspects of the DWS UI Tax functions: UI Wage Reporting and Tax, Payments, Employer Registration, Account Maintenance, Field Audit, and Reporting.<br>The new UI Tax System application will leverage the uFACTS Solution Framework, featuring a Service Oriented Architecture (SOA) implemented within the Microsoft .NET environment. Consistent with the uFACTS Solution Framework approach, it will also use key third party components such as FileNet for workflow and document imaging and Pitney Bowes DocOne for correspondence generation and management.<br>*Additional detailed information has been provided below.* |
| Service Dates: Dates must demonstrate at least one (1) continuous year | February 2010 to Present (December 2011) |
| Approximate Contract Value: | $19,500,000 |

_____
*Authorized Signature (Manual)

David Minkkinen, Principal
*Authorized Signature (Typed), Title
*This individual must have the authority to bind the Respondent.

*An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.*

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# Our Unique Experience and Qualifications

Deloitte was prime contractor for all of our UI successes referenced in this section.

**Deloitte and NHES are partners for improving UI Benefits in New Hampshire**

Deloitte brought an experienced, well-rounded team that has deep experience in UI. In fact, I firmly believe this is one of the reasons we've been so successful – the skills of their people and the specific knowledge they have of the system they're deploying. This team has kept our project on-schedule and on-budget.

I'm also impressed with Deloitte's ability to think ahead and identify and address potential problems before they become problems. As we were wrapping up development, they identified some opportunities to improve how we were building organizational support for the new system. They took on the responsibility of formalizing and driving the overall organizational change approach, and helped us better structure our efforts to build this support. This included employer and claimant outreach efforts, as well as internal activities. This same "whatever-it-takes-to-be-successful" attitude played out throughout the project. They focus on making sure we're all successful, and it shows."

**Darrell Gates**
Deputy Commissioner
New Hampshire Department of Employment Security
Executive Sponsor, UIM Project

**With Deloitte, you get a partner with people that understand your business challenges, a record of accomplishment within the UI industry, and a proven UI solution framework to build your customized solution. Our solution approach is built on the lessons learned from successfully implementing Benefits, Tax, and related UI programs in other states. You can rely on Deloitte to deliver results.**

To design, develop, and integrate a system for AWI, we will bring our insight from our other UC projects in Minnesota, New Hampshire, New Mexico, Ohio, Massachusetts, Pennsylvania, and California. In fact, after a thorough analysis of AWI's ITN requirements, we estimate that 75% of our uFACTS Solution Framework is ready to meet those requirements. This high degree of 'fit' means that delivery risk inherent with custom development or COTS packages not designed for UC programs is substantially mitigated through our approach.

Overall, our unemployment insurance experience includes:

- Implementing modern architectures, including both J2EE and .NET solutions
- Integrating document imaging and workflow technology to improve the efficiency of UC Tax and Benefits business processes
- Integrating business rules technology to provide flexibility to change with future legislation and business process changes
- Integrating call center and interactive voice response (IVR) technology to provide multiple self-service delivery channels to serve UC constituents
- Integrating business intelligence and data warehousing technology to improve program management and financial reporting

While others might offer experience based on previous practices and legacy technology, we apply up-to-date, well-tested technology for UC modernization initiatives. The results are easier self-service functionality and a system AWI can maintain long into the future.

To achieve these results, Deloitte combines people, experience and solutions to deliver value to our clients. In Minnesota, Deloitte exceeded project goals to replace existing UI Tax and Benefits legacy systems. Our uFACTS Solution Framework and associated uFACTS Knowledge Repository, coupled with our methodology for delivering BPR and system integration, helped Minnesota improve the efficiency of their UI Tax and Benefits business processes by over 70%. We replaced UI tax and benefits legacy systems on time and within budget providing broad self-service capabilities for employers, claimants, and third party administrators.

The engagements cited in this capabilities overview demonstrate lessons learned, problems solved, risks averted, and results achieved.

# Qualifications Earned on Eleven Core UI Engagements

**This section includes descriptions of work completed or underway for several state UI agencies. Deloitte is currently working on, or has recently completed, projects for the agencies listed in the following graphic. The table includes high-level project schedules.**

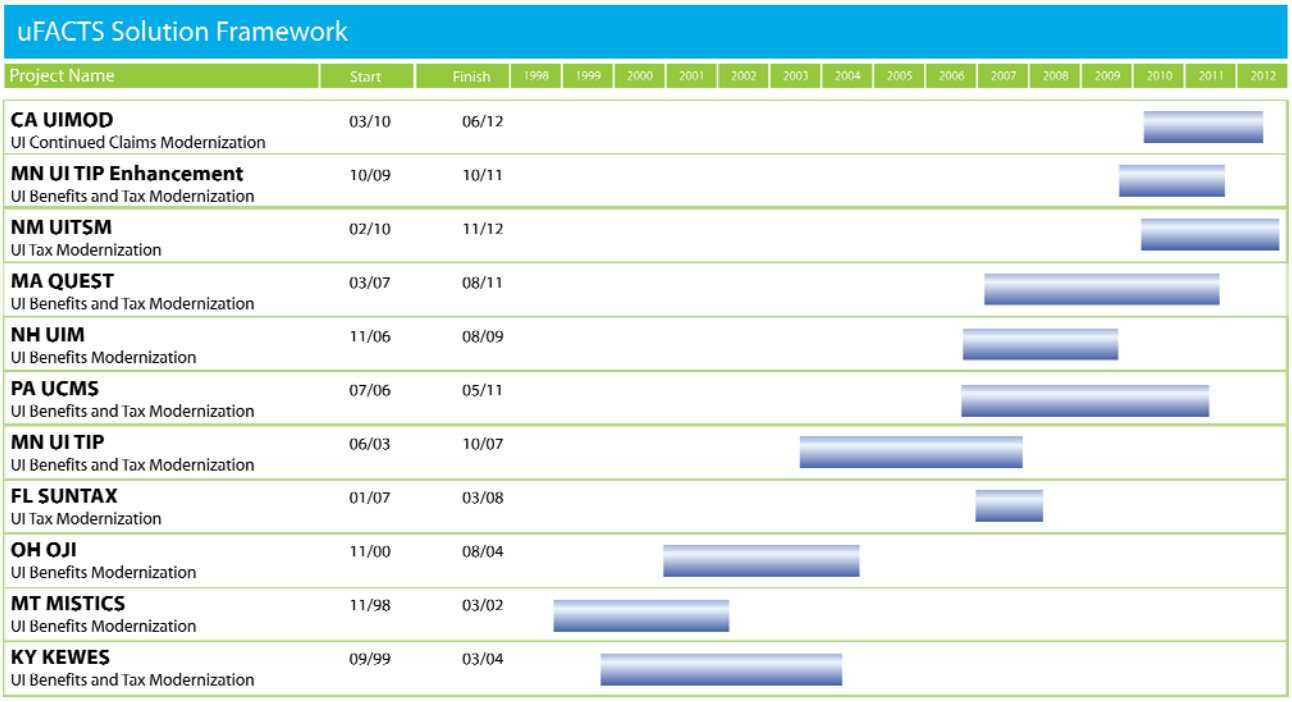


**Exhibit A-1. Successful Project Timelines**
*Deloitte has assisted several states with UI modernization successes. These projects addressed all stages of the system development life-cycle, from strategy and planning to system implementation and operations.*

These projects address all stages of the system development life cycle from strategy to system implementation. As the qualifications show, we achieve results for our clients. And we look forward to partnering with you to help address your UC modernization challenges as well.

# Detailed Qualifications at a Glance

We have identified engagements that feature our experience related to Florida's objectives outlined in the ITN. The following table provides a summary of Deloitte's UC experience and how it relates to your objectives:

| Project Name<br>Dates of Service<br>Status | Project Type | | Florida Project Objectives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | UI Modernization Tax (T) / Benefits (B) / Integrated (I) | Modernization of Workforce Development Services | Automating manual, paper-based processes to increase workflow efficiencies and reduce operational costs | Providing direct claimant interface through a fully integrated web-enabled interface, scalable Interactive Voice Response (IVR) interface, and adaptable for future client touch-points | Reduced data entry through Facilitating improved communication within AWI as well as between AWI, its consumers and employers increased electronic filing | Providing AWI staff with timely access to information necessary for performance measurement and quality management | Providing better access to data through searching and reporting capability | Accomplishing the business objectives outlined in state statute | Integrated, adaptable, and scalable web-enabled information system |
| **Reference Qualifications** | | | | | | | | | |
| **Minnesota Department of Employment and Economic Development**<br>Unemployment Insurance Technology Initiatives Project (UI TIP) – UI Tax and Benefits<br>**Dates of service:** June, 2003 – October, 2007<br>**Status:** UI Applicant Self-Service implemented December, 2004; UI Tax implemented June, 2005; UI Integrated Benefits implemented October, 2007. Current Status: Project Successfully Completed | ✓ (I) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **New Hampshire Department of Employment Security**<br>Unemployment Insurance Modernization (UIM) – UI Benefits<br>**Dates of service**: November, 2006 – August, 2009<br>**Status:** Solution implemented in August, 2009. Currently in Warranty Support phase | ✓ (B) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **New Mexico Department of Workforce Solutions**<br>UI Tax Modernization Project<br>**Dates of service**: February 2010 - Present<br>**Status:** Project started in February 2010 – we are on-schedule and within budget | ✓ (T) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| Project Name / Dates of Service / Status | Project Type | | Florida Project Objectives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | UI Modernization Tax (T) / Benefits (B) / Integrated (I) | Modernization of Workforce Development Services | Automating manual, paper-based processes to increase workflow efficiencies and reduce operational costs | Providing direct claimant interface through a fully integrated web-enabled interface, scalable Interactive Voice Response (IVR) interface, and adaptable for future client touch-points | Reduced data entry through Facilitating improved communication within AWI as well as between AWI, its consumers and employers increased electronic filing | Providing AWI staff with timely access to information necessary for performance measurement and quality management | Providing better access to data through searching and reporting capability | Accomplishing the business objectives outlined in state statute | Integrated, adaptable, and scalable web-enabled information system |
| **Massachusetts Division of Unemployment Assistance**<br>Quality Unemployment System Transformation (QUEST) – UI Tax and Benefits | ✓ (I) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Dates of service**: March 2007 – July 2011<br>**Status:** On-schedule, On-budget, UI Tax System implementation scheduled for December, 2009 | | | | | | | | | |
| **Other Relevant Qualifications** | | | | | | | | | |
| **California Employment Development Department**<br>UI Modernization (UI Mod) | ✓ (B) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Dates of service**: February 2010 – June 2012<br>**Status:** On-schedule, On-budget | | | | | | | | | |
| **Pennsylvania Department of Labor and Industry & Department of Public Welfare**<br>Unemployment Compensation Modernization System (UCMS) | ✓ (B) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Dates of service**: September 2006 – May 2011<br>**Status**: UI Tax System implementation scheduled for October, 2010 and UI Benefits System implementation scheduled from May, 2011 | | | | | | | | | |

| Project Name / Dates of Service / Status | Project Type | | Florida Project Objectives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | UI Modernization Tax (T) / Benefits (B) / Integrated (I) | Modernization of Workforce Development Services | Automating manual, paper-based processes to increase workflow efficiencies and reduce operational costs | Providing direct claimant interface through a fully integrated web-enabled interface, scalable Interactive Voice Response (IVR) interface, and adaptable for future client touch-points | Reduced data entry through Facilitating improved communication within AWI as well as between AWI, its consumers and employers increased electronic filing | Providing AWI staff with timely access to information necessary for performance measurement and quality management | Providing better access to data through searching and reporting capability | Accomplishing the business objectives outlined in state statute | Integrated, adaptable, and scalable web-enabled information system |
| **Pennsylvania Department of Labor and Industry & Department of Public Welfare**<br>Commonwealth Workforce Development System (CWDS)<br>**Dates of service:** September, 2005 – March, 2011<br>**Status:** Implemented Labor Exchange, Trade, WIA Case Management system in 2007. Currently integrating New Hire Reporting along with WOTC, WARN, and Financial Management Functions. | | ✓ | | | | | ✓ | ✓ | ✓ |
| **Florida Department of Revenue**<br>SUNTAX – SAP Integrated Tax System<br>**Dates of service**: January, 2001 – March, 2008<br>**Status:** UI Tax System implemented March 2008 Current Status: Project Successfully Completed | ✓ (T) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Ohio Department of Job and Family Services**<br>**Dates of service**: January, 2000 – August, 2004<br>**Status:** UI Benefits implemented August, 2004. Current Status: Project Successfully Completed | ✓ (B) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Montana Department of Labor and Industry**<br>Montana Integrated System To Improve Customer Service (MISTICS)<br>**Dates of service:** November, 1998 – March, 2002<br>**Status:** UI Benefits implemented April, 2001. Current Status: Project Successfully Completed | ✓ (B) | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| Project Name / Dates of Service / Status | Project Type | | Florida Project Objectives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | UI Modernization Tax (T) / Benefits (B) / Integrated (I) | Modernization of Workforce Development Services | Automating manual, paper-based processes to increase workflow efficiencies and reduce operational costs | Providing direct claimant interface through a fully integrated web-enabled interface, scalable Interactive Voice Response (IVR) interface, and adaptable for future client touch-points | Reduced data entry through Facilitating improved communication within AWI as well as between AWI, its consumers and employers increased electronic filing | Providing AWI staff with timely access to information necessary for performance measurement and quality management | Providing better access to data through searching and reporting capability | Accomplishing the business objectives outlined in state statute | Integrated, adaptable, and scalable web-enabled information system |
| **Kentucky Department for Employment Services**<br>Kentucky's Electronic Workplace for Employment Services (KEWES) | ✓ (T) | | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| **Dates of service:** September, 1999 – March, 2004<br>**Status –**Tax-Employer Internet Reporting – November, 2000; Tax-Account Registration – April, 2002; Tax-Quarterly Report Auditing – July, 2002; Tax-Collections – June, 2003. Current Status: Project Successfully Completed | | | | | | | | | |
| **Utah Department of Workforce Services, Comprehensive Unemployment System (CUBS)** | ✓ (B) | | ✓ | ✓ | | | ✓ | | |
| **Dates of service**: November, 2001 – March, 2004<br>**Status:** Project Successfully Completed | | | | | | | | | |

**Exhibit A-2. Our Qualifications Meet Your Requirements.**
*We get results for our clients. Deloitte is only vendor in the marketplace that has implemented seven successful UC modernization efforts in production in the last eight years.*

# Reference Qualifications

## State of Minnesota

### Committed to Client Achievement

"We wanted a partner who would share in our risk, work with us every step of the way, suffer with us in our defeats and in turn share with us in our victories. Deloitte has been that partner."

**Matt Kramer**
MN Department of Employment and Economic Development Commissioner during UI TIP implementation

In Minnesota, our team exceeded project goals to replace legacy systems. Our uFACTS Solution Framework and associated uFACTS Knowledge Repository coupled with our methodology for delivering results, helped Minnesota improve their UC Tax and benefits business processes efficiency by over 70 percent. We replaced legacy systems on time and within budget providing broad self-service capabilities for employers, claimants, and third-party representatives.

### Department of Employment and Economic Development

**Unemployment Insurance Technology Initiatives Project (UI TIP)**

**The Minnesota State Department of Employment and Economic Development (DEED) changed the way it does business. DEED moved from "the way it has always been done" to a transformation of the entire UI business lifecycle, including:**

- Supporting the needs of current customers
- Preparing for future growth and change
- Eliminating unnecessary business processes
- Migrating to new, enabling technologies
- Enabling customer self-service by implementing self-service capabilities to better serve employers, third-party representatives, and claimants
- Reducing staffing requirements by implementing more efficient business processes

These goals drove the Department's UI Technology Initiatives Project (UI TIP). We worked with Minnesota to help with UI TIP, a four-year initiative to replace legacy technology and improve existing business processes. Minnesota is the first state to implement an integrated UI Tax and Benefits system using modern technology.

The following describes the project's challenges and objectives, as well as our solution, infrastructure, tools, and results.

### *Challenge*

In the first phase of the effort, the system needed to manage the employer services that perform the primary business processes associated with managing the tax functions of a UI program: processing quarterly wage and tax reports, managing employers ratings, managing accounts, and billing employers the necessary fees and penalties associated with their payroll or unemployment status. Minnesota needed the system to provide a web-based interface for applicants to DEED's legacy benefits system and offer many of these functions directly to employers over the Internet.

### *Objectives*

UI TIP is a business process redesign and technology modernization initiative to reengineer business processes to better support the needs of UI customers and provide streamlined, cost-efficient services with the following steps:

**Committed to Client Achievement**

"One of the things that really impresses me about Deloitte is the quality and experience of their staff. I think they have a very structured and flexible approach...and I've been very impressed with the quality of the staff on our project, not just at the project management level, but the day-to-day workers that Deloitte has. They really are a true value."

**Kathy Nelson**
Director of UI Programs in MN

- Reduce paper processing by improving efficiency and taking advantage of enabling technologies.
- Improve:
  - The functionality, stability, and maintainability of DEED's UI systems by replacing legacy applications with a single integrated Internet-based application
  - Service to claimants, employers, and third-party representatives
  - Access to information for DEED employees
  - Staff productivity by integrating new systems and leveraging imaging and workflow tools to focus staff on value-added activities
  - Accessibility and efficiency of the UI program for internal and external customers
  - Management of fluctuations in UI claims activity without increasing staff
- Leverage the new technology and techniques to improve accuracy and accountability

## *Solution*

The State of Minnesota initially hired Deloitte to design, develop, and build the first phase of its new UI system. The two-year contract included design and construction of a complete UI Tax system along with Employer and Applicant Self-Service applications. Deloitte implemented its unemployment insurance framework, uFACTS – a solution framework that encompasses the functionality needed by state UI programs. The application framework and its accompanying design documentation provide Deloitte's clients a jumpstart for their own distinct systems replacement projects.

# uFACTS

Unemployment Framework for Automated Claim & Tax Services

Deloitte developed the uFACTS Solution Framework to support the internal and external business needs defined by states' UI programs and the US Department of Labor. uFACTS consists of the following main components:

**Employer Self-Service**
Provides employers the ability to self-service their account. Includes:
- Employer Registration
- Employer Profile
- Management Reporting
- Employer Workflow/Home
- Tax Information
- Quarterly Reporting

**Claimant Self-Service**
Provides claimants the ability to self-service their account. Includes:
- Messages
- Profile
- File Claim (Initial and Continued)
- Management Reporting

**Employer Services (Internal)**
Provides UI tax workers the ability to service employer accounts. Includes:
- Workflow Inbox
- Quarterly Reporting
- Tax Payments
- Rate Determination
- Collections
- Employer Profile
- Benefit Charges
- Report Audit
- Delinquencies
- Management Reporting

**Claimant Services (Internal)**
Provides UI benefits workers the ability to service claimant accounts. Includes:
- Claimant Profile
- Claims
- Eligibility
- Issues/Appeals
- Wages
- Payments
- Modifications/Adjustments

**Administration**
Creation and maintenance of users and code tables.

**Workflow Management**
Routing of workflow item to UI workers, applicants and employers.

**Document Management**
Storage and retrieval of employer and applicant correspondence.

**Rules Engine**
Storage and maintenance of configurable business rules.

**Management Reporting**
Required reports to administer unemployment insurance programs.

FL_AWI UC-100a

**Exhibit A-3. The uFACTS Solution Framework Overview for Minnesota.**
*uFACTS provides DEED a foundation for meeting their project goals. Our uFACTS Solution Framework components provided the basis for design and development of the UI TIP system being deployed in Minnesota.*

We started work with UI TIP on June 3, 2003. We implemented a new Applicant Self-Service system in December 2004 and the UI Tax and Employer Self-Service systems in June 2005. We implemented integrated core benefits-related functionality in October 2007. The uFACTS Solution Framework components provided the basis for development of the UI TIP system being deployed in Minnesota. UI TIP functionality includes:

- Applicant Self-Service
- Core Tax Services and Employer Self-Service
- Application Infrastructure & System Administration
- Core Benefits functionality (Applications, Determinations, Payments, Adjudication, and Appeals)

### Committed to Client Achievement

"The uFACTS solution was very helpful for us in Minnesota as a baseline for design. It helped jumpstart the design process by giving my staff something visual to work with and modify rather than starting with a blank page. This allowed us to accelerate the design process, saving both schedule time and staff time."

**Deneen Andrades**
Former Minnesota UI Project Director

## Applicant Self-Service

We designed, developed, and implemented a self-service module that aligns with the specific business requirements of DEED. In the Applicant Self-Service increment, UI TIP created a new system architecture to provide applicant services over the web. Applicant Self-Service addressed the following functionality:

- Register Initial and Transitional Applicant Account Subsystem
- Create Bi-Weekly Continued Request Subsystem
- View/Maintain Applicant Account Subsystem
- System Administration/Other Subsystem

Applicant Self-Service functionality provides an innovative method to record applicant demographic and claim information. The Self-Service functionality facilitates information collection, including demographics, availability, work history, and other information. Applicant Services addresses views to the primary processes involved in the benefits side of the UI program. These functions include tracking wage details, benefits eligibility, and payments, in addition to issues related to an applicant's personal situation.

At the same time, we implemented a new Call Center infrastructure. Initial rollout included migrating the existing call center to the new platform, followed by migration of the Benefits IVR application. Over the course of the project, the new Call Center platform evolved from traditional Centrex-based call switching to a completely Voice Over Internet Protocol (VOIP) solution using Cisco gateways and telephones. The State's Wide Area Network (WAN) now carries communications, enabling the creation of a single "virtual Call Center" across multiple locations, as well as providing remote agent capabilities.

The Call Center consists of three separate physical sites, linked together into one virtual Call Center. The Call Center has enabled the following results:

- Supports over 200 agents, cross-trained to address calls from both employers and claimants, routed and directed on the basis of skill required to answer the inquiry
- Processes over 1.3 million IVR and information request calls per year from both claimants and employers
- Conducts 15 percent of applicant continued claims business via the IVR; 85 percent through the web-based self-service application
- Implemented multiple self-service delivery channels for claimants and employers resulting in the IVR and web application sharing the same application code base

The Applicant Self-Service components evolved and we incorporated them into the core Benefits functions that we delivered as part of Phase II. In Phase II, we added payment processing, issue adjudication, determination generation, and appeal processing.

## Core Tax Services and Employer Self-Service

In the UI core Tax Services and Employer Self-Service Increment, we designed, built, and implemented a new tax application that satisfies the specific business requirements formally accepted by DEED project management. This consists of online components, business objects, batch functionality, and database objects that support the following major business modules:

- Register Employer Account
- Maintain Employer Account
- Tax and Wage Detail Report
- Tax and Payment Processing
- Collections
- Field Audit
- Benefit Charge
- Account and Correspondence Inquiry

The system offers Tax and Employer Self-Service functionality through the web and an IVR component developed on the new call center platform. Both customer channels use a common code base for business rules.

This represents the first use of IVR functionality to support automated wage reporting in the United States.

Key Features of the employer services functionality include:

- **Eliminated the need for a paper Contribution Report.** One online process collects and calculates all wage data, 12th of month, and taxes due.
- **Streamlined the Tax Calculation process.** Taxes due are calculated based on taxable wage base, employer rates, state-specific fees, and penalties based on an individual employee's Social Security Number (SSN). The process is done in real time and batch, eliminating an employer's need to calculate their taxable amounts. The process considers succession wage-base carry-over, multiple-unit submissions, and late fee assessments.
- **Provided additional capabilities for bulk filing of wages for large employers and third-party representatives.** File Upload process provides online edits, validations, and acknowledgements. For example, large payroll services were able to submit single bulk wage detail reports. One payroll service was able to submit a single file for 17,000 employers, consisting of more than 650,000 employee records for each of the past three quarters.
- **Provided additional capabilities for bulk filing of payments for third-party representatives.** Large and small payroll providers can now submit one large payment for multiple employer accounts. Agents submitted an individual payment for nearly 20,000 employers; the system then processed each individual credit to the appropriate accounts. This functionality has provided flexibility to pay small or large group payments via ACH Credit or ACH Debit.
- **Improved self-service functionality for employers and third-party representatives.** Allows employers to manage multiple addresses, reporting units/locations, third-party

Did you know

UI TIP included the implementation of a virtual call center encompassing:

- Three physical locations and remote agent capability
- Over 130 call center agents
- Over 1.3 million customer IVR and agent contact calls per year
- Processing of approximately 15% of claimant business via IVR

**The uFACTS Solution Framework is reliable, effective, controlled by skilled professionals, and being managed to CMMI Level 3 status in Minnesota.**

"Predictability, effectiveness, and control of an organization's software processes are believed to improve as the organization moves up these five levels. While not rigorous, the empirical evidence to date supports this belief."

**Carnegie Mellon SEI**

representatives, and other necessary UI business online through a self-service portal. In addition, the Benefits Paid Charge component provides employers benefit charge detail in real time to the weekly payment level.

- **Automated the calculation of Annual Tax Rates.** Assigns them to employers. Calculates annual solvency rates and assigns them to employers. Additionally, the system allows the modification of rates by quarter or individual employer.
- **Improved the wage adjustment process for employers.** Allows users to process Wage Detail Adjustments online routing specific adjustment types to staff for review while processing less problematic adjustments immediately (e.g., wage increases).
- **Improved the payment processing capabilities.** The system processes employer and third-party representative payments online, via paper check or bank files (e.g., ACH Credit). Using this process, Minnesota reduced cash days outstanding by 25 days per year, generating $1 million additional cash to the UI Trust Fund.
- **Improved integration between systems.** The system provides real-time interface among Benefits Monetary Re-Determinations, Wage Detail, and Benefits Paid Charges, creating a fully integrated system.
- **Implemented associated reports, internal and external interfaces, notices, and compliance and management reporting.** A standalone Field Audit component allows mobile Field Auditors to complete their work offsite and integrate their data with the online system.

These features allowed Minnesota to improve the efficiency and effectiveness of their UI Tax business processes by 70% and allowed the agency to redeploy staff to other high priority customer service areas.

## Application Infrastructure & System Administration

Ample time and attention devoted to developing a comprehensive, robust architecture and common objects translates into less re-work, less maintenance, and more code efficiencies in the future. The uFACTS Solution Framework provides the basis for that architecture. We established the following overall application infrastructure and system administration components for the new system:

- Security
- Rules
- Interfaces
- Edit Checks
- Error Handling
- System Logging
- System Management
- Navigation/GUI
- Reports
- Correspondence
- Workflow
- Document Management

These components established a framework for UI TIP development of benefits, tax, and future system functionality. We brought many of the standard uFACTS application and

database objects to the project. The uFACTS Solution Framework, along with our toolkit of JSP and Java common objects, supported these project tasks.

## Core Benefits Services

In Core Benefits Services Phase, we reengineered and redesigned the remaining UI Program processes and systems to work toward better service to program customers and stakeholders. We integrated the new Benefits functionality with the Core Tax Services functionality that we implemented during Phase I. The Benefits Services Phase addressed the following major subsystems:

- Register or Reactive Benefit Program Account
- View and Maintain Benefit Program Account
- Process Benefit Determination
- Process Benefit Payment
- UI Reports
- Process Benefit and Tax Appeals
- Benefit Integrity
- Promote Applicant Reemployment
- Process Appeals

Self-Service functionality added the following services through a web-based, applicant self-service application and Telephone IVR components (utilizing a common code base):

- Register or Reactive Benefit Program Account
- View and Maintain Benefit Program Account
- View Benefit Determination
- View Benefit Payment Information
- File and Schedule Appeal

Key features of the Core Benefits Services functionality include:

- Real-time calculation and determination of Monetary Eligibility during the registration process through integration with wage record data
- Enhanced Adjudication functionality provides real-time issue identification and data collection of fact-finding, intelligent routing of issues to adjudicators using workflow technology, simplified issue adjudication processing (including targeted Auto-Adjudication), and automatic Determination Generation. We streamlined the adjudication process by using 275 issue/sub-type combinations and 1,000 adjudication rationales resulting in more consistent determinations

### Committed to Client Achievement

"We have been impressed with Deloitte from the start. They have been consistent, well prepared, experienced, and easy to work with. Before selecting Deloitte, we talked to previous customers who told us that Deloitte had delivered on promises, provided experienced project members who worked well with state staff, and delivered products on time and on budget. We are happy."

**Jack Weidenbach**
Former Director of UI Programs in MN – Served as UI Director for the first Phase of UI TIP

Did you know

### Getting Results

We implemented a comprehensive UI Benefits system in 27 months using the uFACTS Solution Framework.

## Key Technologies used in the State of Minnesota UI TIP Project

Technology Architecture Environment

- Java/J2EE – Service
- Oriented Architecture (SOA)

Business Rules Engine

- ILOG JRules

Imaging and Workflow

- FileNet P8

Call Center Integration

- Oracle's Telephony@work

- Automatic account updates triggered by wage updates, issue adjudication, appeal decisions, etc. The process results in automatic calculation of over/underpayments, generation of determinations, and updated employer charge data
- Targeted work search data collection and issue generation integrated into the Continued Claim filing process
- Integrated re-employment profiling scheduling and service tracking
- Expanded payment options, including direct deposit and debit card, as well as traditional warrants
- Intelligent Queue Management routes work to employees based on skill levels and security for fact-finding and issue resolution (accomplished through integration with FileNet)
- Creation of a truly electronic case file and supporting document management (accomplished through integration with FileNet)
- Comprehensive Appeals functionality, including appeal filing, scheduling, maintenance, and integration with a third-party application for hearing recording and playback
- First state implementation to provide full ICON integration using web services
- First state implementation to integrate IVR/call center functionality using web services
- First state implementation to do real-time authentication of social security information with the Social Security Administrations (SSA) using web services

### Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | Blade Servers, IBM Storage Area Network (SAN), Big IP LoadBalancer 520 w/SSL |
| **Software** | IBM WebSphere Application Server Network Deployment, IBM FileNet P8 Content Manager and Business Process Manager, ILOG JRules, MS Windows 2003, Microsoft Internet Information Services (IIS), Microsoft Active Directory, Pitney Bowes Group 1 Universal Coder, FOP, GlobalScape FTP Server |
| **Database** | IBM DB2, Microsoft SQL Server |
| **Operating System** | Windows 2003 |
| **Network** | TCP/IP, FTP and standard Internet browsers |
| **Design and Development Tools** | Rational Application Developer, Rational Enterprise, CA ERwin Data Modeler, Quest Central for DB2, Adobe Dreamweaver |
| **Project Management Tools** | PM Tool, SLIM Control, MS Project |
| **Performance Testing Tools** | HP Mercury Interactive LoadRunner, Quick Test Professional, Test Director |
| **Enterprise Application Integration (EAI) Tools** | IBM WebSphere MQ (MQSeries) |

| | |
|---|---|
| **Document Imaging/Workflow Software** | IBM FileNet P8 Business Process Manager and Content Manager |
| **CRM/IVR Software** | Oracle's Telephony@work CallCenter Anywhere |
| **Public Telephone Network Connectivity** | Centrex Circuits, and Network Hunt Groups, Primary Rate T1 circuits |
| **VOIP Network** | G711, SIP |
| **VOIP Hardware** | Cisco 3845 deployed with 8 T1s, designed for 16 T1 capacity<br>Cisco 2811 deployed with 4 T1s, designed for 8 T1 capacity<br>Cisco 7940 G phones running SIP Call Software |
| **Technical Architecture** | Service Oriented Architecture (SOA), J2EE Architecture |
| **Project Approach and Methodologies** | Legacy BearingPoint's Delivery Framework Methodology, Service Oriented Architecture (SOA) using the uFACTS Solution Framework |
| **Reporting Tools** | Crystal Enterprise Server, Crystal Reports |

**Exhibit A-4. Technical Infrastructure and Tools used to implement the UI TIP Project.**

The following items provide a sense of the scope and magnitude of the effort involved in implementing the Minnesota UI TIP Integrated UI Tax and Benefits System.

| Work Product | UI Benefits | UI Tax | Combined |
|---|---|---|---|
| **Use Cases** | 190 | 90 | 280 |
| **Supplemental Design Documents** | 200 | 50 | 250 |
| **Work Queues** | 20 | 18 | 38 |
| **Fact-Finding Questionnaires** | 400 | N/A | 400 |
| **UI Benefits Issue/Sub-Type Combinations** | 275 | N/A | 275 |
| **Adjudication Rationales** | 1000 | N/A | 1000 |
| **Source Lines of Code** | 843,201 | 562,810 | 1,206,011* |
| **Batch Processes** | 425 | 250 | 675 |
| **Database Tables** | 330 | 200 | 500* |
| **Web Screens** | 1,100 | 763 | 1863 |
| **Yearly Document/Imaging load** | 5,000,000** | 1,500,000** | 6,500,000** |

** Integrated System results in shared/common tables and code*
*** Approximate*

**Exhibit A-5. Minnesota UI TIP Size, Complexity and Scope.**

## *Results*

After the initial UI Tax implementation in June 2005, Employers filed electronically and processed over 97 percent of the projected Q2 2005 wage detail by the reporting deadline. That equates to 119,174 filings. Employers electronically filed and processed a similar percentage of wage detail records by the reporting deadline for Q3 and Q4 2005. Historically, employers processed fewer than 50 percent of wage reports within the month after a quarter-end, with approximately 60,000 wage detail reports still outstanding at the due date.

The electronic filing process has eliminated entirely UI staff work to reconcile tax and wage reports.

Did you know

**Getting Results for Our Clients**

We implemented the uFACTS Solution Framework within 24 months for Minnesota resulting in a comprehensive UI Tax system and automated processes.

### Phase I Results (UI Tax)

We implemented Phase I in June 2005. The implementation has been stable and highly reliable. Results have been profound and include:

- Improved business process efficiency by 70% – Staffing levels required to service employer accounts have dropped approximately 70 percent from over 90 FTE to approximately 20 FTE. DEED has redeployed staff to assist other UI program areas.
- Over 100,000 employers used the online self-service channel to activate their existing Minnesota UI accounts.
- The system processes all new employer registrations online – a function previously done entirely by Minnesota UI Staff. We reduced employer registration processes from 2-7 days to immediate, real-time registration. Currently, 99 percent of all employers are performing registration without staff intervention.
- Over 5,200 payroll services or accountants registered their accounts online and conducted their business using the system.
- The system allows employers and third-party representatives to file electronically and process over 97 percent – 131,380 – of projected Q1 2007 wage detail records by the reporting deadline. Employers filed and processed a similar percentage of wage detail records electronically by the reporting deadline each quarter since the system went live in Q2 2005.
  - Historically, prior to Q2 2005, employers processed fewer than 50 percent of wage reports within the month after a quarter-end, with approximately 60,000 wage detail reports still outstanding at the due date. After implementation in June 2005, the following wage processing results were achieved:

| Quarter | # Employers Submitting Wage Details | Total Tax Due | Paid Tax | Percent Paid |
|---|---|---|---|---|
| Q2 2005 | 132,046 | $287M | $280M | 97.56% |
| Q3 2005 | 134,499 | $199M | $191M | 95.98% |
| Q4 2005 | 135,691 | $118M | $112M | 94.92% |
| Q1 2006 | 137,430 | $385M | $380M | 98.70% |
| Q2 2006 | 137,197 | $282M | $276M | 97.87% |
| Q3 2006 | 135,767 | $183M | $177M | 96.72% |
| Q4 2006 | 135,060 | $115M | $110M | 95.65% |
| Q1 2007 | 131,380 | $365M | $355M | 97.26% |

- Large payroll services are able to submit bulk wage detail reports. These contain multiple employers and thousands of employees.
- Time needed to complete wage adjustments has shrunk from 15-50 days to 2 days.
- Quarterly, employers or payroll services make over 815,000 payments through online self-service functionality (excludes paper check processing), paying over $1.6 billion of taxes owed.
- Improved wage detail submission quality has helped reduce the percentage of benefit accounts requiring monetary re-determinations from 9.4 percent to 6.3 percent of accounts filed.
- Minnesota reduced their cash days outstanding by approximately 25 days per year, generating $1 million additional cash to the UI Trust Fund.
- Creation of the first IVR component allowed the automated submission of wage detail reporting and calculation of payments due.
- Support for the evolution of a new call center platform to encompass multiple configuration and technology changes over the course of three years:
  - Move of the central city contact center to a new location
  - Migration from analog to VOIP handsets
  - Migration from analog to digital circuits
  - Networking of three contact centers into one virtual call center
  - Relocation of a suburban contact center to a central city location

## Creating Self-Sufficient Clients Through Effective Knowledge Transfer

We collaborated with DEED to transfer knowledge so that they could be self-sufficient using the new integrated UI Tax and Benefits system. DEED staff was operating the system six months following production, and are currently developing system enhancements and maintaining the application in a production environment.

## Phase II Results (UI Benefits)

We implemented Phase II in October 2007. The integrated UI Tax and Benefits solution was on-time and on-budget over a 51-month timeframe. This marks the first functional and fully integrated Benefits and Tax solution built on modern web-based technologies using a common database.

Minnesota is the first state to implement an integrated UI Tax & Benefits system using modern technology.

The use of the uFACTS Solution Framework allowed us to complete the project on-time and on-budget within 51 total months. We implemented UI Tax in 24 months and UI Benefits in 27 months.

Service Levels Achieved through successful UI Benefits modernization at the State of Minnesota include:

- Improved first payment timeliness achieving a consistent service level between 94-97 percent.
- Achieved 100 percent electronic processing for benefit claims by providing improved self-service business functions resulting in productivity efficiencies. **After implementation, users file 85 percent of UI claims online through the Internet and 15 percent through an IVR. Approximately 87 percent of claimants are filing for benefits without any staff intervention.**
- Provided the ability to adjudicate more issues related to claims processing—DEED now can adjudicate 8,000 issues per week versus a maximum of 4,000 in the old system, resulting in significant staff productivity results.
- Implemented auto-adjudication processes that result in more timely and consistent determinations. The system includes 475 adjudication issue/sub-type combinations that automatically generate 1,000 adjudication rationales. Adjudication of a claim now averages 3-5 minutes versus 20-25 minutes in the legacy system due to the use of intelligent issue routing and automatic adjudication processes. Currently, 66 percent of issues are auto adjudicated.
- Improved the ability of adjudicators to resolve issues related to claims. Currently, adjudicators complete 89 percent of separation issues and 98.3 percent of non-separation issues within 21 days of detection.
- Improved the ability of UI staff and judges to complete appeals of cases. The appeals process is currently achieving the following service levels:
  - The average age of a pending first level appeal is 20 days
  - 83.6 percent of first level appeals are decided within 30 days
  - 97.9 percent of first level appeals are decided within 45 days
  - The average age of Reconsideration level appeals was 32 days
  - 90.5 percent of Reconsideration level decisions are completed within 45 days
  - 100 percent of Reconsideration level decisions are completed within 75 days
- Improved overpayment recovery. Approximately 97 percent of overpayments were automatically established for recovery.

# State of Minnesota

## Department of Employment and Economic Development

**Unemployment Insurance System Enhancement Project**

**The State of Minnesota's Department of Employment and Economic Development (DEED) is an innovator in using technology and streamlined business processes to efficiently manage Minnesota's unemployment insurance program.**

**Committed to Client Achievement**

"What I like about Deloitte is the fact that they brought to the project a dedicated, knowledgeable and unified team with a proven success record. This allowed us to hit the ground running—which saved a lot of time up front—and implement solutions in a short time frame. All of these attributes will help ensure continued success for the project which in turn means a true benefit for our customers. Ultimately it is a win-win situation for us and our customers."

**Kim Kellermann**
MN DEED Project Manager
UI System Enhancement Project

As a result of a four-year initiative that spanned from 2003 to 2007, Minnesota became the first state to implement an integrated UI Tax and Benefits system using modern technology. This new system is based on Deloitte's unemployment insurance framework, uFACTS. The uFACTS Solution Framework encompasses the core functionality required by state UI programs and provides an application framework and design documentation that gives Deloitte clients a jumpstart when embarking upon systems replacement projects.

### *Challenge*

In serving the needs of Minnesota's employers and unemployment insurance claimants during periods of economic crisis, DEED must respond not only to an increased need for its services, but also to new legislation at the Federal and State levels that extend benefits and impose new rules for administering benefits. Minnesota's UI system has provided substantial flexibility and configurability to address the changes in policy and business volumes brought on by economic recession, allowing Minnesota to be a leader among states in providing timely payments to unemployment insurance claimants.

At the same time, DEED has recognized opportunities to further streamline the operation of its UI system by incorporating recent policy changes and adding functionality to improve internal staff productivity. DEED selected Deloitte to lead this initiative to analyze current processes, identify new requirements, and design, develop, and test enhancements to Minnesota's UI system.

### *Objectives*

DEED's primary objectives for the UI System Enhancement Project are to identify, design, and implement enhancements to Minnesota's UI system to address:

- The American Recovery and Reinvestment Act (ARRA) of 2009
- Other legislative and policy changes at the Federal and State levels
- Opportunities to improve staff efficiency and streamline business processes

UI system modules that will be enhanced include:

- Extended Benefit Programs
- Share Work Program

- Trade Readjustment Act (TRA) Program
- Combined Wage Claim & Federal/Military Wages
- Owner/Officer Benefits
- Adjudication
- Appeals
- Overpayments/Collections Functions
- Re-Employment Activities
- Benefit Charges to Employers
- Employer Successions
- Employer Field Audits
- Financial & ETA Reporting

The UI System Enhancement Project has established a two-year timetable for implementation of these enhancements, with new functionality being released to the production environment at quarterly intervals.

## *Solution*

Deloitte is helping DEED achieve its objectives for the UI System Enhancement Project by deploying a team that has participated in multiple unemployment insurance modernization projects. The team is experienced, from both a functional and a technical perspective, in the uFACTS Solution Framework that underlies Minnesota's UI system.

To provide further value to DEED, this core team draws upon an extended network of unemployment insurance experts across Deloitte's national team with experience gained from working with clients in multiple states. While leveraging its own base of knowledge on leading practices and emerging trends in unemployment insurance, Deloitte is also working closely with subject matter experts within DEED's unemployment insurance program to design enhancements that are targeted to Minnesota's unique policies and business imperatives. In addition—through close collaboration in the analysis, design, and testing processes as well as through formal training sessions—Deloitte is educating DEED personnel on our system design and development methodologies and preparing them to support and continue the evolution of Minnesota's UI system to address future needs. Furthermore, Deloitte is contributing expertise in project and release management. Deloitte has constructed a release plan that sequences the implementation of enhancements in a manner that reduces rework and avoids disruption to ongoing system operations and maintenance.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | IBM Servers, IBM Storage Area Network (SAN), Big IP Load Balancer 520 w/SSL |
| **Software** | IBM WebSphere Application Server Network Deployment, IBM FileNet P8 Content Manager and Business Process Manager, MS Windows 2003, Microsoft Internet Information Services (IIS), Microsoft Active Directory, Pitney Bowes Group 1 Universal Coder, FOP, GlobalScape FTP Server |
| **Database** | IBM DB2, Microsoft SQL Server |
| **Operating System** | Windows 2003 |
| **Network** | TCP/IP, FTP and standard Internet browsers |
| **Design and Development Tools** | Rational Application Developer, Rational Enterprise, CA ERwin Data Modeler, Quest Central for DB2, Adobe Dreamweaver, Microsoft Visual Studio Team Foundation Server (TFS) |
| **Project Management Tools** | MS Project, Microsoft SharePoint Portal |
| **Enterprise Application Integration (EAI) Tools** | IBM WebSphere MQ (MQSeries) |
| **Document Imaging/Workflow Software** | IBM FileNet P8 Business Process Manager and Content Manager |
| **CRM/IVR Software** | Oracle's Telephony@Work CallCenter Anywhere |
| **Public Telephone Network Connectivity** | Centrex Circuits, and Network Hunt Groups, Primary Rate T1 circuits |
| **VOIP Network** | G711, SIP |
| **VOIP Hardware** | Cisco 3845 deployed with 8 T1s, designed for 16 T1 capacity<br>Cisco 2811 deployed with 4 T1s, designed for 8 T1 capacity<br>Cisco 7940 G phones running SIP Call Software |
| **Technical Architecture** | Service Oriented Architecture (SOA), J2EE Architecture |
| **Project Approach and Methodologies** | Deloitte System Development Playbook, Service Oriented Architecture (SOA) using the uFACTS Solution Framework |
| **Reporting Tools** | Crystal Enterprise Server, Crystal Reports |

**Exhibit A-6. Technical Infrastructure and Tools used in the MN DEED UI System Enhancement Project.**

## *Results*

Did you know

**Getting Results for Our Clients**

The Deloitte team has enhanced Minnesota's UI system to accommodate new rules governing benefits duration and training enrollment deadlines for Trade Readjustment Act (TRA) program participants, as well as provisions for part-time work while in training, as spelled out in the American Recovery and Reinvestment Act (ARRA).

As of April 2010, the Deloitte team has completed two of the seven production releases planned for the UI System Enhancement Project, providing enhancements to functionality in the Adjudication, Combined Wage Claim & Federal/Military Wages, Trade Readjustment Act (TRA), Financial & ETA Reporting, and Employer Succession modules of Minnesota's UI system. In addition, analysis has been initiated for enhancements to system modules that support Overpayment Functions, Owner/Officer Benefits, and Minnesota's Shared Work Program.

To provide an example of the enhancements implemented thus far for DEED, the American Recovery and Reinvestment Act (ARRA) of 2009 specifies changes to the rules governing the Trade Readjustment Act (TRA) program. These changes increase the number of weeks of benefits available and provide additional flexibility to claimants for meeting training enrollment deadlines and working part-time while in training. To address these new provisions, the Deloitte team has enhanced Minnesota's UI system to accommodate the new monetary and eligibility rules, while also putting in place new earnings auto-adjudication logic to allow TRA claimants to work up to 32 hours in a week, and earn up to their weekly benefit amount, without those earnings being deducted from their TRA payments.

In addition to facilitating DEED's compliance with new legislation, this and other functionality added during the UI System Enhancement Project has reduced manual work for UI program staff, allowing increased productivity and flexibility to better serve DEED's claimant and employer customers.

# State of New Hampshire

## Department of Employment Security

**New Hampshire Unemployment Insurance System (NHUIS) – UI Benefits**

**The State of New Hampshire Employment Security (NHES) Department is modernizing its legacy UI Benefits system by transferring and enhancing Ohio's award-winning Benefits System.**

### *The Solution Overview*

**Minimize Cost and Risk by using our demonstrated approach**

- Get fast deployment timeline
- Pay roughly half the cost of building from scratch
- Customize as needed to meet unique NH law and policies
- Provide improved customer service
- Get 24x7 availability for claimants and employers
- Streamline processes with electronic communication
- Save time with Electronic Fund Transfers
- Improve internal NHES efficiencies
- Automate manual processes
- Improve DOL performance measures
- Reduce staff workload
- Automate workflow
- Automate registration and job referral services through real time interfaces with Job Matching System

This project includes requirements validation, a fit/gap analysis, system design, development, and implementation for all UI Benefits functions for the State. Rather than building a new Benefits system, New Hampshire chose to have Deloitte transfer the Java-based Benefits system it built for the State of Ohio. The project began with a requirements validation and identifying any gaps in the transferred ("base") system. The New Hampshire Unemployment Insurance System (NHUIS) was competed and deployed in August 2009.

The base system was built using a Java frontend, giving staff, claimants, and employers the ability to access the system via a web browser. The backend is in COBOL, giving the state a platform in which their technical staff has deep experience and is comfortable supporting.

New Hampshire's goals in replacing their legacy system were straightforward:

- Provide a platform that is better able to support the increasingly complex changes to UI law (both at the federal and state level)
- Provide better customer service by introducing a web channel for claimants and employers
- Improve internal productivity by greatly reducing the amount of manual work required to process claims and to adjudicate
- Do so in a manner that minimizes overall risk to the State

New Hampshire is seeing substantial improvements in staff productivity, especially as it relates to handling of claims. Specific challenges that we needed to overcome with their current legacy systems include:

- Almost 80% of all claims required some form of manual intervention
- Claimants were too often paid from the wrong program (e.g., from State Extended Benefits rather than EUC), or sometimes were not paid at all
- The Benefits Payment Control (BPC) backlog of potential cases of fraud requiring investigation was in the thousands

- There was no ability to electronically communicate with claimants or employers, and no ability to perform any type of electronic transfer of benefits to claimants

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### Deloitte and NHES are partners for improving UI Benefits in New Hampshire

"Deloitte Consulting has been a great partner to work with. They proposed a well thought out, low-risk approach for transferring Ohio's UI Benefits system and customizing it to meet our needs. I've been very happy with the team, especially Deloitte's flexibility in working with us when it came to federal changes to the UI program that hit at a critical point in the project. Their flexible design of our UI system, along with some creative staffing, allowed them to incorporate the ARRA legislation with a minimal impact to our overall schedule.

Deloitte brought an experienced, well-rounded team that has deep experience not only in UI, but also technology and the underlying system from Ohio. In fact, I firmly believe this is one of the reasons we've been so successful – the skills of their people and the specific knowledge they have of the system they're deploying. This team has kept our project on-schedule and on-budget.

I'm also impressed with Deloitte's ability to think ahead and identify and address potential problems before they become problems. As we were wrapping up development, they identified some opportunities to improve how we were building organizational support for the new system. They took on the responsibility of formalizing and driving the overall organizational change approach, and helped us better structure our efforts to build this support. This included employer and claimant outreach efforts, as well as internal activities. This same "whatever-it-takes-to-be-successful" attitude played out throughout the project. They focus on making sure we're all successful, and it shows."

**Darrell Gates**
Deputy Commissioner
New Hampshire Department of Employment Security
Executive Sponsor, UIM Project

## *Objectives*

NHES had a series of broad objectives for the NHUIS Project:

### General Objectives

- Reengineer the benefits business process based on best practices embedded within the base system
- Dramatically reduce the amount of manual intervention required for claims processing
- Reduce mailing costs and increase customer satisfaction by providing electronic correspondence and direct deposit of claimant benefit payments
- Improve the quality and integrity of data within the system, thereby reducing the backlog of fraud investigations
- Move to a rules-based engine for eligibility determination, and make it easier to adapt to new UI programs, as well as changes to existing UI programs

- Meet increasing customer expectations by allowing claimants and employers to access and manage their accounts using the Internet
- Leverage existing legacy Tax and IVR Systems, which are relatively new and generally meet the needs of the State
- Provide integration with the State's Job Matching system, allowing for automatic registration for new claimants
- Introduce stronger fraud detection abilities, including multiple cross-matches and validations (e.g., National Directory of New Hires, real-time SSN validation with the SSA)

**Department of Information Technology (DoIT)**

"The technical resources Deloitte has brought into this project have been exemplary. I have found them to be very professional and competent in performing the tasks necessary to install and customize this application to meet the needs of NH Employment Security. The thoroughness demonstrated in the analysis of our legacy environment resulted in an extremely high success rate in the conversion of claims into the new UIM application. Also, the level of technical documentation and training afforded will greatly facilitate our ability to assume full operation and support of this application after the contracted Deloitte-provided warranty and maintenance period."

**Ronald Slocum**
NH UIM
Project Manager, DoIT

## Claim Objectives

- Reduce manual effort and increase accuracy and integrity of data for initial, additional/reopen claims filing, and processing for each monetary program (UI, State Extended Benefits, Federal Extended Benefits, TRA, ATRA, and DUA), as well as special claims (CWC, UCFE, and UCX)
- Automate claims processing for TAA and ATAA programs
- Allow for claims filing via claimant self-service filing, staff web view, and IVR
- Allow for direct deposit of benefit payments, as well as option to continue to receive a physical check

## Adjudication Objectives

- Provide workflow with the ability to manage work queues among staff, helping to improve agency timeliness metrics
- Provide the ability to monitor work queues to help monitor overall performance
- Allow fact-finding entry via claimant and employer self-service web views and staff web view
- Streamline the determination process by allowing easy selection of issue decision and reasoning; use of "pre-canned" reasoning text with law and policy references
- Automate the generation of determinations
- Allow filing and processing via claimant and employer self-service web views and staff web view
- Provide for scheduling of appeals hearing

## Reporting Objectives

- Automate the creation of federal reports and data validation populations

## Other Major Objectives

- Automate overpayment creation and recovery
- Automate the selection of random sample data for BAM and BTQ audits

- Automate interface to the legacy NH UI Tax system
- Automate registration and development of claimant resumes through real time interfaces with NHWorks (state's virtual OneStop Job Matching System)

## *Solution*

Deloitte transferred and enhanced the UI Benefits system built for the State of Ohio. The project customized the application to conform to NH-specific UI law, as well as enhanced several areas, including workflow. In a timeline of approximately 34 months, Deloitte transferred the system, validated requirements, conducted a fit/gap analysis, developed a conceptual design, and then began a formal design/development/test process to customize the new system. We began work on the project in November 2006, and went live in August 2009.

The Fit/Gap analysis identified areas where the base system did not fully meet NH requirements, and the Conceptual Design phase identified ways to bridge these gaps. We then conducted a formal design/develop/test phase, followed by System and Acceptance Test, as well as train-the-trainer.

### Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | HP Server Hardware (as identified by NHES and Deloitte early in the project) |
| **Software** | Java applications developed for WebSphere 6.1, COBOL running on MicroFocus AcuCOBOL, ORSYP Dollar Universe, OpenLDAP CA Harvest |
| **Database** | Oracle 10g |
| **Operating System** | HP-UX and Red Hat Enterprise Linux AS |
| **Network** | TCP/IP (major network protocols: FTP, HTML, SOAP) |
| **Design and Development Tools** | Metavante CSF Designer, CA Harvest, Toad for Oracle, MicroFocus AcuCOBOL, IBM RAD |
| **Project Management Tools** | Deloitte's Playbook, Deloitte's PMM 4.0, MS Project |
| **Performance Testing Tools** | IBM Rational Performance Tester |
| **Document Imaging/Workflow Software** | FileNet |
| **CRM/IVR Software** | Integration with CMB Technologies IVR solution |
| **Project Approach and Methodologies** | Deloitte System Development Playbook |
| **Reporting Tools** | Crystal Enterprise, Metavante |

**Exhibit A-7. Technical Infrastructure and Tools used to implement the UIM Project.**

## *The Results*

**Delivering Business Value**

"The level of UI knowledge that Deloitte brought to this project, as well as the organized methodology surrounding requirements, design, conversion and implementation documents and processes, was nothing short of amazing. This project had a very aggressive time schedule and their level of experience and planning allowed us to hit the ground running. All Deloitte staff are true team players and, working together, NHES and Deloitte were able to find creative solutions to challenging business problems. Their willingness and ability to find common ground and add value exceeded my expectations. It was a professional and personal pleasure to work with them."

**Dianne Carpenter**
NH UIM
Business Project Manager
State of New Hampshire
Department of Employment Security

We deployed NHUIS on schedule in August 2009. Over the course of 34 months, we have:

- Conducted 34 workshops during the Requirements Validation phase to validate 1,113 requirements over a one-month period
- Customized and enhanced over 400 web pages within the base system
- Developed and tested interfaces to 66 external systems
- Delivered 2,116 objects (Java and COBOL) to System Test
- Created 11 modules for Train-the-Trainer, covering all aspects of the new UIM system
- Achieved a 99.89% accuracy rate for converting legacy UC Benefits data

We also delivered real business value for NHES and the citizens of New Hampshire. Since being deployed in production in August 2009, NHUIS yielded:

- Accurate payments in excess of $9 million to claimants on a weekly basis, a total of over $300 million since deployment in August 2009
- Consistent and accurate processing of over 32,000 Continued Claims and 4,000 Initial Claims on a weekly basis
- Claimant self-service and IVR adoption rates of 85% for new claims and 88% for continued claims, freeing up staff to focus on other activities
- Since implementation, 59% of all payments are being made through EFT, reducing costs for NHES and providing for faster benefit payments to claimants
- Approximately 64% of new claimants are selecting electronic communication, reducing costs for NHES and providing faster and improved communication with claimants
- Payment to claimants for State Extended Benefits and Federal Additional Compensation, a benefit that their legacy systems could not pay and that prior to NHUIS, had to be handled manually
- Better fraud detection and prevention through a variety of cross-checks, including real-time validation of SSN's through the SSA and weekly cross matches with New Hire Directory
- Better adjudication processes and automated processing of claims leading to NHES achieving 97% First Payment Timeliness
- Rapid implementation of multiple Tiers of Extended Unemployment Compensation (EUC) resulted in continued payments to over 5000 claimants who would have exhausted their benefits

- In a survey conducted independently by a local publication, 70% claimants and employers felt that the new system has substantially improved level of unemployment services provided by the agency.
- Enable automated registration of all claimants on NHWorks (NH virtual OneStop Job Matching System) through real time interfaces at the time of registering and filing their initial claim on UI system. The real time interface sends claimants UI registration data to the state's Job Matching system to automatically register the claimants for job search and referral activities. This eliminates the need for claimants to register in two systems (Unemployment and Job Matching) separately and the need for duplicate data entry. It also ensures that all eligible claimants' claiming unemployment are registered for work search and job referral services and can receive employment services immediately.
- Enable automated resume creation for all eligible claimants on NHWorks through real time interfaces at the time of initial registration and filing of initial claim on UI system. The UI system sends claimants job preferences, skills, desired location, desired job title and other relevant information to the state's Virtual OneStop Job Matching system to create an active resume for the claimant so automated Job matching and referrals can be done. New Hampshire is one of the few states in the country to have an "active" resume for a claimant utilizing data from his Unemployment Registration that can be used for automated job matching right at the time of registration. This will result in a substantial reduction of workload of the employment services case managers working with the claimants to provide job referrals.

# State of New Mexico

## Key Technologies used in the State of New Mexico

*Technology Architecture Environment*

- Microsoft .NET

*Correspondence Engine*

- Pitney-Bowes DocOne

*Imaging and Workflow*

- FileNet P8

*Call Center Integration*

- Interactive Intelligence

## Department of Workforce Solutions

**Unemployment Insurance Tax System Modernization (UITSM)**

**The State of New Mexico Department of Workforce Solutions (DWS) is pursuing a complete modernization of its existing unemployment insurance tax business, including a replacement of its legacy tax system.**

This project includes business process reengineering, system design, development, and implementation for relevant aspects of the DWS UI Tax functions: UI Wage Reporting and Tax, Payments, Employer Registration, Account Maintenance, Field Audit, and Reporting.

The new UI Tax System application will leverage the uFACTS Solution Framework, featuring a Service Oriented Architecture (SOA) implemented within the Microsoft .NET environment. Consistent with the uFACTS Solution Framework approach, it will also use key third party components such as FileNet for workflow and document imaging and Pitney Bowes DocOne for correspondence generation and management.

Deloitte is working with DWS to implement new UI Tax processes and technology that allows DWS to address the following business goals:

- Improved service to employers through Internet-based self service
- Streamlined business processes through automation of manual functions
- Reduced data entry through increased electronic filing
- Redesigned problematic functions in current system
- Migration to a common business and technical architecture for UI systems
- Retirement of the current system that is antiquated and difficult to maintain
- Migration from a mainframe infrastructure that is very expensive to maintain

### *Challenge*

The current UI Tax business environment is labor and paper-intensive. Staff members report that many system features do not work or do not work as designed. Many manual processes and workarounds are used to accomplish work tasks. The current Tax Section maintains over 46,000 employer accounts, collecting UI tax revenue to sustain the UI benefits program for unemployed New Mexico citizens. The implementation of a modernized UI Tax System will assist NMDWS in realizing significant program and process efficiencies, and more timely USDOL compliance standards.

The legacy Tax application resides on an IBM server which accesses and manipulates tax data on an IBM mainframe. The legacy system is approximately 20 years old, resides on a client/server environment interfaced to an IBM mainframe. The system is expensive to

maintain costing the Department approximately $1.2M annually in maintenance fees alone.

The current system does not support full automation or web-enabled applications that are conducive to customer self-service.

## *Objectives*

DWS envisions serving its employer community through multiple channels that best fit their needs, including deployment of an Internet-based employer and third party administrator (TPA) self-service portal. Using this portal, employers and TPAs will be able to complete transactions that currently require one or more telephone calls or paper document submissions to the Agency.

The Agency would like to streamline business operations by simplifying current business processes and improve staff efficiencies and effectiveness. The Agency expects the new computer system will allow it to improve customer service to employers, third party administrators and claimants by providing more accurate and timely information through real-time transaction processing, immediate access to information and timely work task tracking.

A new system will support the vision of reduced dependence on paper, an Internet-based self service portal, and streamlined business operations.

Agency objectives include:

- Creating a flexible customer-focused environment for service delivery.
- Use of advanced information technology to efficiently deliver services.
- Integrate and collaborate with other New Mexico state agencies to maximize service to customers.
- Increase support, training and education.
- Promote interagency and business community participation that encourages economic development and sustainable job growth.

## *Solution*

The State of New Mexico contracted with Deloitte to design, develop, and build its new UI Tax system. The two-year contract includes the design and build of a complete UI Tax solution, addressing UI Wage Reporting and Tax, Payments, Employer Registration, Account Maintenance, Field Audit, and Reporting, using Microsoft .NET and a Service Oriented Architecture.

# uFACTS

Unemployment Framework for Automated Claim & Tax Services

Deloitte developed the uFACTS Solution Framework to support the internal and external business needs defined by states' UI programs and the US Department of Labor. uFACTS consists of the following main components:

**Employer Self-Service**
Provides employers the ability to self-service their account. Includes:
- Employer Registration
- Employer Profile
- Management Reporting
- Employer Workflow/Home
- Tax Information
- Quarterly Reporting

**Claimant Self-Service**
Provides claimants the ability to self-service their account. Includes:
- Messages
- Profile
- File Claim (Initial and Continued)
- Management Reporting

**Employer Services (Internal)**
Provides UI tax workers the ability to service employer accounts. Includes:
- Workflow Inbox
- Quarterly Reporting
- Tax Payments
- Rate Determination
- Collections
- Employer Profile
- Benefit Charges
- Report Audit
- Delinquencies
- Management Reporting

**Claimant Services**
Provides UI benefits workers the ability to service claimant accounts. Includes:
- Claimant Profile
- Claims
- Eligibility
- Issues/Appeals
- Wages
- Payments
- Modifications/Adjustments

**Administration**
Creation and maintenance of users and code tables.

**Workflow Management**
Routing of workflow item to UI workers, applicants and employers.

**Document Management**
Storage and retrieval of employer and applicant correspondence.

**Rules Engine**
Storage and maintenance of configurable business rules.

**Management Reporting**
Required reports to administer unemployment insurance programs.

FL_AWI UC-100

**Exhibit A-8. The uFACTS Solution Framework Overview for New Mexico UI Tax System Modernization.**
*uFACTS provides New Mexico with a foundation for meeting project goals. Our uFACTS Solution Framework components provide the basis for design and development of the UITSM system being deployed in New Mexico.*

We use our uFACTS Solution Framework during each phase of the UITSM project lifecycle. The uFACTS Knowledge Repository includes design, development, testing, and training artifacts that provide clients a jumpstart for their own distinct systems replacement projects.

Deloitte began work on the UITSM project in February 2010.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | Server Hardware (as identified by DWS and Deloitte during the initial phase of the Project) |
| **Software** | Microsoft .NET Application Server, Microsoft Internet Information Services (IIS), Microsoft Active Directory, IBM FileNet P8 Product Suite, Pitney-Bowes DocOne and Universal Addressing Module, Secure FTP EFT Server, Team Foundation Server, UC4 Automation Engine, ScaleOut Session Server, Microsoft System Center Operations Manager |
| **Database** | IBM DB2, SQL Server Standard |
| **Operating System** | Windows 2003 |
| **Network** | TCP/IP (major network protocols: FTP, HTML, SOAP) |
| **Design and Development Tools** | Microsoft Visual Professional 2008, Rational Enterprise, RoboHelp Office Pro for .Net, ERwin Data Modeler, LLBLGenPro |
| **Project Management Tools** | Deloitte eRoom, SLIM Control, MS Project |
| **Performance Testing Tools** | Rational Performance Tester, Rational Functional Tester |
| **Document Imaging/Workflow Software** | FileNet P8 suite of products |
| **CRM/IVR Software** | Integration with Interactive Intelligence I3 IVR/Call center |
| **Technical Architecture** | Service Oriented Architecture (SOA), Microsoft .NET Environment (.NET 3.5) |
| **Project Approach and Methodologies** | Deloitte System Development Playbook, Service Oriented Architecture (SOA) using the uFACTS Solution Framework |
| **Reporting Tools** | Crystal Reports 2008 |

**Exhibit A-9. Technical Infrastructure and Tools used to implement the UITSM Project.**

## *Results*

The UITSM Project began in February, 2010. The Project Plan includes 2 major milestones, a Phase One implementation of Employer Self-Service in February, 2011, and a Phase Two implementation of Core Tax Services in December, 2011.

The Project is currently on-time and on-schedule for completion according to plan.

# Other Relevant Qualifications

## Commonwealth of Massachusetts

### Division of Unemployment Assistance

**Quality Unemployment System Transformation (QUEST)**

Did you know

We successfully implemented UI Tax on December 7, 2009.

**The Commonwealth of Massachusetts Division of Unemployment Assistance (DUA) is implementing a comprehensive system solution that integrates major UI business processes, including Tax, Benefits and Appeals, into a single data structure and functional system solution.**

This project includes business process reengineering, system design, development, and implementation for all relevant aspects of the DUA business: UI Tax, UI Benefits, Program Integrity, Appeals/Hearings, and Economic Research.

The QUEST application leverages a strong and extensible Service Oriented Architecture (SOA) implemented within the Microsoft .NET environment. As such, it will be the nation's first integrated UI system developed using .NET/SOA technology architecture while also using an ILOG business rules engine and integrating with FileNet for workflow and document imaging.

Deloitte is working with DUA to implement an integrated UI Tax and benefits solution that allows DUA to achieve a variety of business goals including two important agency priorities:

- SUTA dumping detection and enforcement
- Program integrity and overpayment recovery

With the replacement of the UI Legacy systems, DUA will also achieve high performance on its main performance indicators:

- Percent timely employer status determinations
- On-time benefit payments
- Proper payment rate
- Lower authority appeals timeliness
- Percent of fraud overpayments detected

### Key Technologies used in the Commonwealth of Massachusetts

Technology Architecture Environment
- Microsoft .NET

Service Oriented Architecture (SOA)
- Microsoft BizTalk

Business Rules Engine
- ILOG Rules for .NET

Imaging and Workflow
- FileNet P8

Call Center Integration
- Avaya

## *Challenge*

DUA faces a variety of converging issues, all of which create pressure to reform business processes and update systems. These key issues include:

- Increased customer expectations from both claimants and employers
- Reduced or static funding
- An aging and retiring UI workforce
- Manual business processes and aging technology
- Detection and elimination of fraud

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### Deloitte is Making Major Contributions to QUEST Success

"The Division of Unemployment Assistance (DUA), Commonwealth of Massachusetts, initiated a Modernization Project to replace our legacy system environment with a single integrated UI system. We are seeking not only to modernize our technology but our business processes as well. We conducted an open bid process with Solution Providers that were registered under a solution provider's contract within the Commonwealth. Through our selection process, we chose Deloitte. The main reasons for our selection were:

1. Deloitte was the only vendor with a true integrated UI solution framework (both Benefits and Revenue), a major requirement of ours;

2. Deloitte proposed a very strong team with significant UI experience, project experience and professional certifications;

3. Deloitte's project methodology was solid; they were the only vendor with a CMMI Level 4 certification for technology projects and a well thought out approach.

DUA wishes to have a successful project with no false starts and no significant miss-steps during the project. Combined with our strong internal team, we believe Deloitte gives us the best chance at having a successful project and, more importantly, a complete solution that when done will enable us to better service the citizens of the Commonwealth of Massachusetts."

**Robert Velten**
Former QUEST Director DUA Technology
Commonwealth of Massachusetts
Department of Workforce Development

**Our Demonstrated Approach to UI Modernization**

"Deloitte has brought a very sound project management approach and methodology to the DUA QUEST Project. We understand the timeline for every task and deliverable going forward. They have a process to keep it all visible and on time. The methodology is a sound building block approach. Once we engaged in the work, the senior DUA leadership team and project team began to understand how Requirements relate to Business Process Re-transformation and then how both relate to Application Design. Deloitte has built a great deal of credibility with the Division of Unemployment Assistance. They have brought knowledgeable consultants to the project who know both the UI business and the methodology used to transform our needs into a detailed design for our new UI application."

**Robert Velten**
Former QUEST
Director DUA Technology
Commonwealth of Massachusetts

## *Objectives*

DUA has outlined a series of objectives for each business unit affected by the QUEST project. Some of the key business objectives include:

### Tax Objectives

**(Successfully Implemented in December 2009)**

- Reengineer the entire contributory collection/billing/dunning process/system for Tax Operations
- Create an integrated Tax system with the ability for employers to enter individual employee wage records directly
- Design automated methods that allow report production for all relevant units within the Tax department. Provide data management and reporting capability for Tax that automates the production of required reporting while providing user-friendly, ad-hoc reporting capability
- Integrate the entire Reimbursable Process/billing system into the Tax System

### Benefits Objectives

- Reduce the number of new initial and reopened claims that are data entered by DUA agents
- Reduce the number of improper payments caused by the delay in verifying a claimant's SSN and/or immigration status
- Reduce the volume of mail sent by DUA. Reduce the volume of returned mail (booklets, notices, pamphlets, determinations, checks, etc.) due to invalid claimant mailing addresses in the database
- Reduce the need for rework due to inaccurate and/or invalid claimant demographic data and incorrect codes assigned at the time of the initial claim
- Reduce the number of claims filed with incorrect or incomplete employment histories so that the first monetary generated is accurate and complete

### Appeals Objectives

- Reduce the time lost between appeal file date and receipt of data and materials in the Hearings Department (process date) from adjudicating units
- Reduce the number of cases rejected (docket entered) or delayed due to missing documents such as evidence of appeal
- Improve time lapse and reduce pending cases by maximizing efficient use of available time slots through improved scheduling
- Assist examiners in writing decisions more quickly and easily to improve consistency in meeting 30- and 45- day time lapse standards

### Committed to Client Success

"Deloitte has provided an organized, methodical process for developing system requirements. Their staff has guided us through the requirements gathering (JRM sessions) and business process redesign (BPR) phases of our project.

They did this by using uFACTS artifacts as a basis for many discussions and by ably facilitating countless sessions with Subject Matter Experts. I look forward to the detail design phase of the project. I'm sure that Deloitte staff will continue to work with us as a team as we move forward"

**Jane Welch**
DUA QUEST
UI Benefits Team Lead Leader
Commonwealth of Massachusetts
Department of Workforce Development

## Program Integrity Objectives

- Reduce need for paperwork to establish Overpayments; reduce need for entry work by OP staff to establish Overpayments. By virtue of paperless system, reduce need for scanning Overpayment material
- Improve Collection procedures, including automating notice generation, payment plan processing, and payment collection processing
- Develop alternate vehicles for repayment of debt (EFT), Electronic Check, etc)
- Automate check reconciliation process

## General Objectives

- Reduce paper processing by improving efficiency and taking advantage of enabling technologies
- Expand self-service opportunities
- Improve customer service
- Improve UI Program operations' efficiencies
- Improve control over benefit payments
- Consolidate information required for better financial management in addition to federal and state reporting of programmatic and financial results
- Leverage the new technology and techniques to improve accuracy and accountability of programs and services
- Deliver systems that support the delivery of services envisioned by UI business owners and provide information about operations to DUA Managers

## *Solution*

The Commonwealth of Massachusetts hired us to design, develop, and build its new integrated UI system. The four-year contract includes Design and Build of complete UI system solutions for UI Tax, Benefits, Appeals, Program Integrity, and Labor Market Information business processes using Microsoft .NET and a Service Oriented Architecture.

# uFACTS

Unemployment Framework for Automated Claim & Tax Services

Deloitte developed the uFACTS Solution Framework to support the internal and external business needs defined by states' UI programs and the US Department of Labor. uFACTS consists of the following main components:

**Employer Self-Service**
Provides employers the ability to self-service their account. Includes:
- Employer Registration
- Employer Profile
- Management Reporting
- Employer Workflow/Home
- Tax Information
- Quarterly Reporting

**Claimant Self-Service**
Provides claimants the ability to self-service their account. Includes:
- Messages
- Profile
- File Claim (Initial and Continued)
- Management Reporting

**Employer Services (Internal)**
Provides UI tax workers the ability to service employer accounts. Includes:
- Workflow Inbox
- Quarterly Reporting
- Tax Payments
- Rate Determination
- Collections
- Employer Profile
- Benefit Charges
- Report Audit
- Delinquencies
- Management Reporting

**Claimant Services (Internal)**
Provides UI benefits workers the ability to service claimant accounts. Includes:
- Claimant Profile
- Claims
- Eligibility
- Issues/Appeals
- Wages
- Payments
- Modifications/Adjustments

**Administration**
Creation and maintenance of users and code tables.

**Workflow Management**
Routing of workflow item to UI workers, applicants and employers.

**Document Management**
Storage and retrieval of employer and applicant correspondence.

**Rules Engine**
Storage and maintenance of configurable business rules.

**Management Reporting**
Required reports to administer unemployment insurance programs.

FL_AWI UC-100a

**Exhibit A-10. The uFACTS Solution Framework Overview for Massachusetts**

uFACTS provides DUA with a foundation for meeting their project goals. Our uFACTS Solution Framework components provide the basis for design and development of the QUEST system being deployed in Massachusetts.

We used our uFACTS Solution Framework during each phase of the QUEST project lifecycle. The *uFACTS Knowledge Repository* includes design, development, testing, and training artifacts that provide clients a jumpstart for their own distinct systems replacement projects.

Deloitte began work on the QUEST project in April 2007. UI Tax has been successfully implemented in December 2009.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | Server Hardware (as identified by DUA and BearingPoint during first Phase of project), CISCO LoadBalancer w/SSL |
| **Software** | Microsoft Internet Information Services (IIS), IBM FileNet P8 Product Suite, GlobalScape FTP Server, Test Director, AltSoft XMLToPDF, PDFSharp, ScaleOut Session Server |
| **Database** | Oracle 10g Enterprise Edition |
| **Operating System** | Windows 2003 |
| **Network** | TCP/IP (major network protocols: FTP, HTML, SOAP) |
| **Design and Development Tools** | Microsoft Visual Studio 2008, Rational Enterprise, Oracle Designer, RoboHelp Office Pro for .Net, Quest Software Toad for Oracle, SnagIt, LLBLGenPro |
| **Project Management Tools** | System Integration Playbook, SLIM Control, MS Project |
| **Performance Testing Tools** | HP Mercury Interactive LoadRunner, Quick Test Professional |
| **Enterprise Application Integration (EAI) Tools** | Unisys Open/TI |
| **Document Imaging/Workflow Software** | FileNet P8 suite of products |
| **CRM/IVR Software** | Integration with Avaya IVR/Call center |
| **Technical Architecture** | Service Oriented Architecture (SOA), Microsoft .NET Environment (.NET 3.5) |
| **Project Approach and Methodologies** | Deloitte System Development Playbook, Service Oriented Architecture (SOA) using the uFACTS Solution Framework |
| **Reporting Tools** | Crystal Enterprise Server 2003 |

**Exhibit A-11. Technical Infrastructure and Tools used to implement the QUEST Project.**

## *Results*

We have successfully implemented our uFACTS Solution Framework and are completing other project deliverables for the Commonwealth. In the first 33 months of the project, we have accomplished the following:

UI Tax Implementation (Successfully implemented in December 2009):

- Completed the Joint Requirements Management Phase, defining 3,006 requirements for an integrated UI Tax and Benefits system. We conducted 102 work sessions and completed the work within four months
- Completed the Business Transformation Phase for UI Tax processes. We conducted 34 work sessions with DUA staff and developed 61 activity diagrams that identify the “To Be” business processes for UI Tax
- Completed the Detail Design Phase for the 78 use cases identified for UI Tax processing
- Completed the construction phase for all UI Tax processes (all 78 use cases)

**Committed to Client Success**

"Even though uFACTS provides a baseline UI system it has provided the flexibility to create a customized UI system that will meet the standard and unique needs of Massachusetts. The uFACTS framework in conjunction with Deloitte staff expertise and professionalism has allowed our subject matter experts to embrace the potential and efficiency of our forthcoming UI system."

**Theresa DeMarco**
DUA QUEST
UI Revenue Team Lead
Commonwealth of Massachusetts
Department of Workforce Development

- Successfully implemented the UI Tax system in December 2009 (On-time, On Budget). Massachusetts DUA realized the following benefits from the implementation of a modernized UI Tax system:
  - Using the new system, 117,359 employers used the online self-service channel to activate their existing Massachusetts UI accounts
  - The system processes all new employer registrations online – a function previously done entirely by Massachusetts DUA UI Staff. We implemented an employer registration process that allows for real-time registration and automatic liability determination. Currently, 99 percent of all employers are performing registration using the online, self service processes provided by the QUEST system
  - Over 1,422 payroll services or accountants registered their accounts online and conducted their business using the system. With the new QUEST system, large payroll services are able to submit bulk wage detail reports. These contain multiple employers and thousands of employees
  - The system allows employers and third-party representatives to file quarterly using the online self-service business processes. In the fourth quarter of 2009 and the first quarter of 2010, 99 percent of employers filed electronically with the Commonwealth of Massachusetts. In all, approximately 175,000 employers successfully filed their wage detail records by the reporting deadline in both quarters
  - Quarterly, employers or payroll services make payments through online self-service functionality paying over $1 billion in taxes since implementation. In addition, 88% of the payments were electronically processed using ACH Credit or Debit which is a more efficient and least costly payment process
  - Single collection point for employment and wage detail data for multiple Commonwealth agencies and multiple programs within DUA
  - The new system and processes allows employers to submit one payment for UI and UHI contribution (Federal and State program – Universal Health Insurance)
- UI Benefits Implementation (Scheduled for implementation in April 2011):
  - Initiated the design phase (JAD sessions) of UI Benefits processing in September 2009.
  - We successfully completed the design of the entire UC Benefits system in 10 months using our uFACTS Solution Framework and associated Knowledge Repository, including completion of 117 UC Benefits use cases and over 200 supplemental specifications. The UI Benefits implementation is currently in development. These use cases include: Initial Claim, Non-Monetary and Monetary Determinations, Continued Claims, Payments and Charges, Appeals, ETA reports, View and Maintain Claimant/Employer, Fiscal Reports and Integration Services (purge, scanning/indexing, printing checks, determine correct path).
  - UI Benefits is on schedule to be implemented in April 2011
- This project represents the only UI Modernization project in the country implemented using a .NET technical architecture using Microsoft .NET 3.0

# State of Ohio

Did you know

OJI Delivered Tangible Benefits to ODJFS and to the citizens of Ohio

- All First Payments Timeliness (14/21 Days) Measure improved from 87.3% to 96.2%
- Non-monetary Determination Timeliness (21 Days) Measure improved from 55.4% to 92.8%
- Over $1 billion paid to claimants in EFT and paper warrants in the first year alone
- Improved customer service via self-service access

## Department of Job & Family Services

**Ohio Job Insurance (OJI)**

**Ohio transformed their Unemployment Insurance Benefits processes and systems, helping drive a high adoption rate for Internet filings and gaining the ability to handle record claim volumes. The DOL recognized their improved operations and honored Ohio in 2008 with their top award for Performance Excellence in Benefit Payments.**

Deloitte worked with the Ohio Department of Job & Family Services (ODJFS) to design, build, test, and deploy OJI, deploying the new system into production in 2004. This web-based UI Benefits system replaced what had previously been 14 disparate legacy systems, and provides self-service access for claimants, employers, and third-party administrators (TPAs), while automating many functions that staff used to perform manually.

### *Challenge*

Ohio's UI Benefits were being managed and paid out using 14 disparate legacy systems. They didn't integrate, there were significant data integrity issues, and the systems couldn't be reliably updated to meet changing UI law. Policies and Procedures were outdated and inefficient. Taken together, they prevented OJDFS from working the way they wanted to work. And all of this was on top of reduced Administrative funding on which to run their program.

OJDFS recognized that to achieve the kind of transformation they were looking for that they'd need to completely reengineer how they handled UI benefits. They'd need to challenge basic assumptions they'd followed for years, make sure they got to the root causes of inefficiencies, and develop effective, efficient policies and procedures for governing their work. And they needed to wed all of that to a new computer system that supported their view of the future.

ODJFS selected Deloitte to help realize that transformation. Deloitte's approach included a formal Business Process Reengineering phase, followed by the design and development of a new web-based UI Benefits system (OJI) that met the increasingly high expectations of ODJFS staff, claimants, and employers.

### *Objectives*

ODJFS' initial goal was simple: Replace their legacy systems with a modern system that could be better maintained and that could help drive operational efficiencies. Armed with that directive, they expanded it to include:

- Provide better customer service, allowing claimants and employers to access self-service features to help reduce ODJFS staff workload
- Provide customers and employers with 24x7 access via the web and IVR

- Rectify significant financial accounting and balancing issues in the old systems, providing financial data that balanced and that was managed in accordance with GAAP
- Improve performance against key DOL Performance Measures
- Utilize a Rules-Engine for business logic
- Provide flexibility and speed in responding to and implementing new UI programs
- Guide users through processing, via a Wizard-like frontend, to make certain that all appropriate data are collected and validated, and that users follow appropriate procedures
- Reduce costs and provide better customer service by providing electronic correspondence, as well as Electronic Funds Transfer (EFT) and debit cards for paying out benefits

## *Solution*

**OJI Project IV&V**

"[This was] the smoothest go-live I have ever seen."

**Bill Griffith**
OJI Project IV&V Vendor commenting on the rollout of OJI

Deloitte worked with ODJFS to develop a plan and timeline for delivering the type of business transformation ODJFS was expecting. The project began with a formal Requirements Gathering phase, followed by Business Process Reengineering and General System Design (GSD). Once complete, the team moved into Detailed Design, Conversion, Development, and Testing. Deloitte also provided comprehensive end-user and technical training as part of the project. OJI is a web-based system with views for staff, claimants, employers, and TPAs. It improves the quality of services delivered to all constituent groups, while streamlining workflows and improving various management and financial controls.

### System Size

- 300 database tables
- 480 batch programs
- 478 web pages
- 271 online objects
- 60+ interfaces with 30+ agencies
- 236 types of correspondence
- 141 management reports
- 22 Federal Reports

### Multiple Customer Communication Channels

OJI provides expanded services to UI claimants, including self-service Internet functions, IVR for weekly claims filing, and call center support. Claimants have options to use the Internet "Claimant View" web to file initial claims and weekly certifications, respond to outstanding fact-finding questions, view correspondence, review payment statuses and history, and file appeals. They can also maintain personal and preference information. Additionally, the IVR phone system is a popular option for filing weekly claims. Although OJI went into production with scanner processing of paper continued claims, ODJFS discontinued paper continued claim certifications due to the low volume of paper claims, further reducing their costs and without seeing any adverse impact on their operations.

## Automation, Automation, Automation

OJI automated many manual or semi-automated processes. We designed and built features that included automated adjudication and workflow. Additional tools included proactive management metrics to help the Department better understand how they were managing their program and if (and where) potential bottlenecks were forming. Claimants could now enter directly claims that used to require manual intervention. This freed up resources to focus on value-added tasks as well as reducing costs. Specifically, OJI accomplished the following:

- Redeployed staff to tasks that require knowledge and experience, allowing staff to focus on tasks that directly affect timeliness and quality of decisions, as well as focusing on claimants and employers
- Decreased call-center volumes due to the new customer self-service channels
- Decreased processing center workloads because more information was collected up front and validated in real time
- Reduced costs associated with physical checks as more claimants moved to EFT and debit cards
- Reduced mailing and processing costs due to electronic correspondence

### *Flexibility and Data Quality*

OJI strikes a balance between allowing flexibility, while making certain that users still follow the appropriate process and collect all required data.

We built flexibility into the business rules, which are table-driven and modifiable as required to meet the demands of new legislation or Department policies. We enforced accuracy by walking users through a series of web pages, depending on the task they're performing. A Wizard-like feature in OJI walks users through the screens that are required for a task, validating data in real time to improve overall data quality and throughput.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | IBM Enterprise server hardware, IBM RISC servers (as identified by ODJFS and Deloitte early in the project) |
| **Software** | Java applications developed for WebSphere 6.0, COBOL, JSPs, Adobe Acrobat |
| **Database** | IBM DB2 8.1.9 |
| **Operating System** | IBM Z/OS for mainframe; AIX 5.3 |
| **Network** | TCP/IP (major network protocols: FTP, HTML, SOAP), Hummingbird, DB2 Connect |
| **Design and Development Tools** | Metavante CSF 4.6, Crystal Enterprise 11, PVCS, ERWin, AQT, Xpediter, SCLM, |
| **Project Management Tools** | Deloitte's Playbook, PMM 4.0, MS Project |
| **Performance Testing Tools** | Mercury Test Suite 9, OMEGAMON |
| **CRM/IVR Software** | Avaya IVR |
| **Project Approach and Methodologies** | Deloitte System Development Playbook |
| **Reporting Tools** | Crystal Enterprise, Metavante |

**Exhibit A-12. Technical Infrastructure and Tools used to implement the OJI Project.**

## *Results*

### Observations from the CIO

"Not only do we [now] have a system we are proud of, we have a satisfied UC customer."

**Kim Liston**
Former CIO
Ohio Department of Job & Family Services

OJI allows Ohio to deliver stellar service to claimants and employers. Coupled with thoughtfully designed Policies and Procedures, ODJFS has been able to process the higher claim volume it has experienced as its unemployment rate has risen. OJI supports over 3,000 staff users and over 252,000 active employers. The solution has delivered significant cost savings to the State by raising staff productivity, and by cutting down on physical correspondence and checks.

### Scalability

As Ohio's unemployment rate began to rise in 2008 and eventually topped 11%, OJI was able to continue to process the substantially higher claim volume. They have experienced no OJI-related outages, avoiding the highly publicized failures some other states have experienced in processing UI benefits.

### Speed and Accuracy

OJI has provided ODJFS with a platform on which to greatly improve their DOL Core Measures. All First Payments Timeliness (14/21 Days) rose from 87.3% in the two years prior to OJI to 96.2% in the two years after OJI was implemented. Non-monetary Determination Timeliness (21 Days) posted an even more dramatic gain, increasing from 55.4% to 92.8% during the same time period.

## Flexibility

Ohio has been able to easily accommodate changes to UI law. Changes to implement payments and services for paying ATAA benefits to eligible claimants were incorporated in 2008. Likewise, EUC08 was added with relative ease when the new program was rolled out. In fact, ODJFS estimates they saved $2M in the cost of setting up EUC08 over what it cost to set up a similar extension in their legacy system.

## First Year Statistics

In OJI's first year in production:

- Improved the self-service capabilities that allow applicants to maintain their account online or via the IVR, allowing UC staff to focus on more complex business problems. **The self service adoption rate in Ohio went from (42% paper, 58% IVR) to (63% web-based, 35% IVR) after implementation.**
- 464,686 initial claim application were filed and successfully processed
- 245,213 additional claims were filed and successfully processed
- 168,258 re-opened claims were filed and successfully processed
- 5,435,988 continued claims were filed, and over 90% of them were filed via web self-service or IVR
- 77,799 appeals were filed and resolved, 25% of them via self-service
- Over $1.1B was paid in UI benefits the first year, including one-third via electronic funds transfer that yielded substantial cost savings for ODJFS:
  - Checks: $698,518,547
  - EFT: $315,694,741
- 114,376 claimants elected to receive correspondence electronically, helping save on printing and mailing costs
- 2,325,710 Determination of Benefit Rights correspondence were issued

**Deloitte and ODJFS Deliver Award- winning Performance in Ohio**

"Our system, developed and implemented by Deloitte, played a large part in this achievement. Even with December's record number of claims filed, our timeliness exceeded the Department of Labor standards."

**Judi Cicatiello**
Deputy Director
Ohio Department of Job and Family Services Office of Unemployment Compensation,
speaking about Ohio's receipt of the 2008 DOL award for Performance Excellence in Benefit Payments

## Recognition and Rewards

At the 2008 National Unemployment Directors' Conference and Legal Issues Forum, DOL honored Ohio with the top award for Performance Excellence in Benefits Payments. DOL presents this award to the state with the most timely and most accurate benefit payments issued to claimants. Ohio's performance in this area can be directly attributed to the OJI system and its processing and accounting functionality.

# State of Florida

## Florida Department of Revenue

**SUNTAX – System for Unified Taxation**

**The State of Florida made a significant investment in SAP, consolidating tax functionality for 36 different types of taxes into a single ERP system, including UI. Florida is now the first state to collect and manage their UI Tax Program in SAP.**

### A modernized UI Tax system – flexible and integrated with Benefits

- Leverages the state's substantial investment in SAP
- SOA architecture
- Full integration with the Department's UI Benefits system
- SAP Business Rules Framework (BRF) allows authorized users to define and change business rules

Florida started by asking a challenging question: "Why not consolidate the state's tax programs into an ERP package?" Faced with 36 different taxes supported by various systems, the Florida Department of Revenue took a hard look at how they were managing all their tax programs, and decided to consolidate these systems, including their UI tax, into SAP. They migrated their UI Tax program in 2008, and handled $1 billion in employment contributions from 484,000 employers in the first year.

### *The Challenge*

The Florida Department of Revenue (FDOR) realized they weren't managing their tax programs as efficiently and effectively as they could. As with most states, tax programs were spread across different systems, making it difficult for taxpayer service personnel to provide good customer service to employers in the state.

Florida is different from most states, in that the Department of Revenue (rather than the Department of Labor) is responsible for collecting UI taxes. This gave them greater latitude in integrating their various tax systems. Their UI Program faced considerable challenges. UI taxes relied on a 30+ year-old mainframe legacy system that they could no longer maintain or extend to meet changing UI and employer demands. The workforce that the Agency relied on to maintain the system was retiring, and finding new technical resources to support a 30+ year-old system was just about impossible.

Using SAP to support their UI Tax Program presented challenges as well as opportunities. First and foremost, no state had used SAP to process UI taxes before. How would they define UI business-rules? What about customized processing for UI that wasn't available or supported in SAP?

Working with Deloitte, FDOR moved forward with a program to replace their legacy tax systems (including UI) with a trued integrated tax system. This new system integrates not only taxpayer data, but also business processes across the various taxing agencies.

**Rolling Out a Modernized UI Tax System**

"[We] have never seen a go-live as smooth as the transfer of unemployment tax to the System for Unified Taxation… You have helped establish a new standard of efficiency in the Department of Revenue."

**Lisa Echeverri**
Executive Director
Florida Department of Revenue
Speaking about Deloitte's project performance

## *Objectives*

FDOR had several objectives for moving forward with a consolidated, integrated tax system:

- Provide a modern technology platform that could be more easily supported and extended
- Standardize on a single ERP system for all taxes collected by FDOR
- Improve the discovery of taxes that are due
- Improve the collection of taxes that are due
- Provide more efficient and accurate tax processing
- Obtain better voluntary compliance from employers
- Meet the needs of the various taxing bodies of the state

## *Solution*

The SUNTAX project uses the Enterprise Portal (EP) in the SAP NetWeaver stack to enable other agencies to connect remotely over the Internet. It also supports remote locations on FDOR's WAN for various online business processes, including Reporting, Call Centers, and Service Centers in a secure application and environment. Future plans for the SUNTAX application include extending portal access to taxpayers for direct, secure access to their account information. SUNTAX takes full advantage of the SOA architecture inherent in SAP R/3 to provide services-based, enterprise-scale business solutions.

SUNTAX is the sole, central tax system for the State of Florida and supports dozens of real-time and batch interfaces to provide data to external agencies and systems, including the Florida UI tax system. Online filing programs are integrated with SUNTAX, as are call center information functions. UI call center workers access data over a secure web portal designed specifically for each user group. These screens help to give the call center worker consistent and accurate information to provide to the business partners of the agency – employers, claimants, and external agencies. Each of these channels accesses the master data and transactional information from SUNTAX. Workflows within SUNTAX follow business rules to route approvals for certain refunds, assign issues to case workers for resolution, and manage the math0audit process to correct problems in tax returns. These business rules also provide support for blocked claims workflow and other taxpayer information.

The core functionality in SAP has been extended in SUNTAX to implement complex business rules for interest calculations, collections strategies, and tax rate calculations. Additionally, business rules were moved to a central business rules repository (the SAP Business Rules Framework – BRF), which allows authorized business users to set up and modify business rules rather than relying on technical staff.

Did you know

Supporting Florida in the first year since go-live:

- $1B in taxes collected
- 484,000 employers
- 9,000,000 employees

UI Tax is fully supported within SUNTAX, including taxpayer registration, tax filing, experience rating, collections, and interfaces to the UI Benefits system. UI Tax is one of the most challenging taxes administered by FDOR both in the complexity of the tax law governing the program, and in the interagency communication required to effectively implement it. When it came time to implement UI tax into SUNTAX, FDOR looked to Deloitte to provide guidance, leadership, and technical skills to the project. Deloitte developed modules covering case management, business intelligence, rate assignment, conversion and inter-agency interfaces, and assisted FDOR team leads in every other are of the system.

We successfully implemented UI Tax in March 2008.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | IBM Enterprise server hardware, IBM RISC servers (as identified by ODJFS and Deloitte early in the project) |
| **Software** | Java applications developed for WebSphere 6.0, COBOL, JSPs, Adobe Acrobat |
| **Database** | IBM DB2 8.1.9 |
| **Operating System** | IBM Z/OS for mainframe; AIX 5.3 |
| **Network** | TCP/IP (major network protocols: FTP, HTML, SOAP), Hummingbird, DB2 Connect |
| **Design and Development Tools** | Metavante CSF 4.6, Crystal Enterprise 11, PVCS, ERWin, AQT, Xpediter, SCLM, |
| **Project Management Tools** | Deloitte's Playbook, PMM 4.0, MS Project |
| **Performance Testing Tools** | Mercury Test Suite 9, OMEGAMON |
| **CRM/IVR Software** | Avaya IVR |
| **Project Approach and Methodologies** | Deloitte System Development Playbook |
| **Reporting Tools** | Crystal Enterprise, Metavante |

**Exhibit A-13. Technical Infrastructure and Tools used to implement the SUNTAX Project**

Did you know

Giving Customers an Integrated View across Multiple Self-Service Delivery Channels

- Web
- IVR
- Call Centers

## *Results*

SUNTAX has been a huge success for FDOR. In the first six years since the state began to use SAP, the system generated an additional $759 million in revenue, giving the state a return of more than $10 for each dollar spent on the project.

Revenue increased across the board, including from UI. Improved discovery and enforcement, made possible by an integrated tax system, are the primary reasons. For example, FDOR instituted cross-checks within SAP between sales tax and UI. They investigate and compare employers that report a certain threshold in sales tax against wage records for that employer. They investigate anomalies (e.g., a firm that reports $200,000 in sales tax but minimal taxable wages) to make certain they aren't underreporting wages and, therefore, illegally avoiding payment of their UI contributions.

The increased discovery methods haven't gone unnoticed in the employer community. FDOR notes better voluntary compliance from employers as the state is able to more effectively manage their program.

Using SAP's Enterprise Portal (EP), other agencies can connect to SUNTAX over the Internet, and SAP is fully integrated with the state's Call Centers and Service Centers. An employer portal allows employers to manage their accounts without support from FDOR.

Customized SAP windows and processes provide UI-specific processing, including employer experience rating and integration with UI Benefits.

# State of Montana

## Department of Labor and Industry (DLI)

**Montana Integrated System to Improve Customer Service (MISTICS)**

Did you know

The MISTICS project was the 2002 winner of the NASWA Compass Award: Leading Tools and Technology.

**In this UI modernization project, we re-engineered, designed, developed, and implemented a new unemployment insurance benefits system for Montana's DLI called Montana Integrated System to Improve Customer Service (MISTICS). The system manages the entire claim lifecycle, including claim intake, eligibility determination, payments, employer charging, overpayment collection, federal reporting, and external interfaces.**

The UI Division kicked off a season of high-level recognition for the DLI when NASWA selected the MISTICS project from among countrywide competition as the 2002 winner of the Compass Award: Leading Tools and Technology, which included a $25,000 prize. Commissioner Wendy Keating, Keith Kelly, and Joanne Loughney-Finstad received the award at the fall meeting of the National Association of State Workforce Agencies. The agency used this money for continued program improvements.

**Committed to Client Achievement**

"MISTICS will also facilitate the adjudication process by enabling simultaneous file access by multiple users. The sequence of document flow right now does not allow for more than one person to work on a claim at any given time. MISTICS will improve the productivity of our staff by allowing multiple people to work on the same claim at the same time. It will also allow us to manage the overall process better because workflow reports will let frontline managers see at any time how many claims are to be processed, where each one is in the process, and where the logjams are."

**Joanne Loughney-Finstad**
Bureau Chief of Program Support
Montana Department of Labor and Industry, UID

The MISTICS project involved the following challenge, objectives, solution, infrastructure and tools, and results.

### *Challenge*

Managing the UI benefits administration in a volatile economy created a strain on DLI's technical systems. They needed to replace costly 12-year old legacy systems, integrate their 22 systems and processes, develop system interfaces, improve data quality, and reduce manual processes. Some of those systems were not Y2K compliant and employed several non-standard data collection applications. Only eight of the 92 federal reports (65 data validation reports and 27 reports filed with the National Office) were automated. This left staff to process 84 reports manually, which was labor intensive, time consuming, and subject to errors. The old system had over 600 "green bar" (paper format) management reports and almost 1,000 different client correspondence letters and/or forms. The legacy management reports were not available in a timely manner and few provided relevant information. File management and the production of correspondence and forms required manual processes and a large staff to maintain. Finally, DLI had difficulty answering basic questions about how the UI systems and processes worked, and many staff members were unable to describe the claims process from filing through closure.

The issues prompted DLI to develop a new UI benefits system and redefine its processes and procedures based on flexible technology. They named the systems upgrade effort Montana Integrated System to Improve Customer Service (MISTICS) and its mission was to design and implement a new benefits system applying technology to improve the accuracy, accountability, accessibility, and efficiency of the unemployment insurance program for internal and external customers. An integrated system was necessary so that

the central UI staff could use automation to process claim types (UI, EB, TRA, DUA, & TEUC) consistently and efficiently.

Did you know

Our Integrated Benefits Claims Processing Solution allows the benefits staff to perform their jobs more efficiently by replacing manual, time-consuming processes with automated, system-enabled processes, thereby better serving their customers.

## *Objectives*

Montana had the following objectives for improving their UI system:

- Gain functionality, stability, and maintainability of DLI's UI systems by replacing 22 legacy applications with a single integrated client/server and Internet-based application
- Offer better service to claimants, employers and third-party representatives
- Give access to information for DLI employees
- Drive accessibility and efficiency of the UI program for internal and external customers
- Manage fluctuations in UI claim activity without increasing staff
- Increase staff productivity by integrating new systems and leveraging imaging and workflow tools to focus staff on value-added activities
- Leverage the new technology and techniques to improve accuracy and accountability
- Reduce paper processing by improving efficiency and taking advantage of enabling technologies

## *Solution*

To meet the needs of Montana's DLI, we developed an Integrated Benefits Claims Processing Solution. Montana's issues are similar to other state unemployment agencies as they face the challenges of making disparate, standalone, non-web-based systems into integrated, more efficient, responsive, and cost-effective Internet/intranet-based systems. The drivers for this transformation are many, but perhaps the greatest is an increasingly smaller budget allocation with which state legislatures and their constituents are demanding unemployment agencies create user-focused and economical solutions.

We designed the Integrated Benefits Claims Processing solution to support the internal and external business needs defined by Montana, other states' UI benefits divisions, and the U.S. Department of Labor (DOL). By using our solution, the benefits staff is able to perform their jobs more efficiently, thereby better serving their customers. A key component of the Benefits Claims Processing Solution is that we developed the solution using standards-based technology to create an integrated system supporting multiple call centers.

The following describes the core functions of the Integrated Benefits Claim Processing Solution that we designed for Montana:

- **Claims.** Record claimant and business demographic information; initiate and store UI, EB, TRA, and DUA claim information; record liable and agent claim details; maintain history; record reopen or additional claims; search claimant, business or claim information; enter and view separation information.

**Committed to Client Achievement**

"Deloitte made a commitment to us to establish a presence and be here through the duration of the project, and they've done that."

**Joanne Loughney-Finstad**
Bureau Chief of Program Support
Montana Department of Labor and Industry, UID

Did you know

MISTICS has been in production and serving claimants and the State of Montana since April 2001.

- **Non-monetary.** Establish, update, determine and re-determine non-monetary, monetary, and charging issues; associate necessary fact finding; assign to appropriate staff; maintain history; and provide search capabilities.
- **Fact-finding.** Gather data by phone, mail, Internet, or fax; use automated correspondence module to pre-populate bar coded forms, where appropriate; store fact-finding documents (outgoing and incoming) in the imaging system.
- **Monetary.** Calculate a claimant's monetary determination; send notification of eligibility and entitlement; maintain history; use pre-monetary module/screen to pre-calculate the monetary determination using Montana, federal, military, and/or out-of-state wages.
- **Wage.** Load, validate, and process regular, federal, military, and out-of-state wages used to calculate the entitlement; differentiate between UI and DUA wages; include school indicator; maintain history and provide search capabilities.
- **Payments.** Gather continued claim information from claimant (IVR, Internet, cards, or online); calculate remaining balance and entitlement; apply offsets and deductions; create payment record; determine chargeable fund (UI, UCX, UCFE); create nightly general ledger transactions; maintain detailed history; and provide search capabilities.
- **Charging.** Calculate charge percentages and notify employers of their potential charges, maintain detail charges (including adjustments), create IB6's for combined wage claims, and provide search capabilities.
- **Overpayments.** Manage system generated and non-system generated overpayments, offset an overpayment, record receipt of a recovery, issue a refund of an overpaid recovery, manage overpayment collection efforts, and provide search capabilities. In addition, generate tracking letters, log a bankruptcy, process a lien, establish an installment agreement, process court transfers, maintain overpayments, perform offset overrides, view recovery history, view refund history, and establish manual overpayments. Adjustments Recalculate entitlements for weeks claimed whenever updated information becomes available that may result in an overpayment, supplemental payment, and a change in the distribution of employer charges.
- **Notices & correspondence.** Provides access to basic search, query, and update capabilities for the notices mail-merge function. This automated module provides a seamless interface with Microsoft Word to produce correspondence. This module provides the ability to list notices generated; show details for paragraphs included in a notice; list parties to whom notices were sent; and resend a notice.
- **Interfaces.** Interface with 18 external systems via 66 interface programs utilizing extracts, data loads, database links, program-to-program calls, snapshots, and reports. Key interfaces include the Interstate Connection System, IVR; LCCC Requests; Child Support Intercepts; and schedules for establishing ERP and profiling appointments. The IBM CICS Gateway processes mainframe interfaces (real-time and batch).
- **Appeals.** Record and monitor appeal requests; send and receive information from the Hearings Bureau's Case Tracking System; maintain summary information, and provide search capabilities.

- **Federal reports.** Calculate the necessary data to produce eight hardcopy reports for mailing to the U.S. DOL and automatically process the 34 extracts for loading to the Sun SPARC. In addition, the federal report module supports the ability to retransmit and/or to reprint weekly, monthly, and quarterly reports, view the ETA-563 report data, and run and view the data for the 66 data validation reports.
- **Maintenance.** Maintain program specific data such as petitions, extended benefits periods, disaster declarations, and school schedules; perform quarter-end and year-end processing; provide batch processing detail and history. Maintain system information that table driven processes use such as selection lists on screens and batch programs.

## Infrastructure and Tools

The following table lists project software and hardware.

| | |
|---|---|
| **Hardware** | IBM RS6000 S70 & Multiple Compaq Proliant Server. |
| **Software** | Oracle Designer 2000, Oracle Developer 2000 (Forms 5.0 & Reports 3.0), Visual Basic, Crystal Reports, IBM CICS Gateway. Software will support future intranet and Internet activity. |
| **Database** | Oracle 8.1.7 |
| **Operating System** | AIX & Windows 2000 |
| **Network** | TCP/IP, FTP and standard Internet browsers. |
| **Design and Development Tools** | Oracle Designer 2000, Oracle Developer 2000, ERwin Data Modeler, Platinum SQL Station, MKS Source Integrity, MKS Track Integrity |
| **Project Management Tools** | MS Project |
| **Performance Testing Tools** | NA |
| **Enterprise Application Integration (EAI) Tools** | NA |
| **Document Imaging/Workflow Software** | FileNet Integrated Document Management (IDM), FileNet Panagon Visual Workflow, FileNet Panagon Print, Datacap Paper Keyboard, RightFax |
| **CRM/IVR Software** | Microlog |
| **Technical Architecture** | Client/server application using Oracle Forms 5.0 |
| **Project Approach and Methodologies** | Legacy BearingPoint's Delivery Framework Methodology<br>Collaborative design and development Approach (User, Developers, and Functional Analysts) and Enterprise Application Integration with multiple Legacy systems |
| **Reporting Tools** | Oracle Reports 3.0 and Crystal Reports, MS Word for correspondence |

**Exhibit A-14. Table x. Technical Infrastructure and Tools used to implement the MISTICS Project.**

## *Results*

The Deloitte solution streamlines information flow and increases productivity. Imaging eliminates a paper-intensive process, making applicable documents immediately available to customer service representatives in multiple call centers. MISTICS facilitates

**Our team helped Montana save time and money with efficient processes delivered on time and within budget.**

the adjudication process by enabling simultaneous file access by multiple users. MISTICS is improving the productivity of staff by allowing multiple people to work on the same claim at the same time and enabling better oversight of the overall process through workflow reports to frontline managers. An additional benefit of MISTICS is DLI's improved ability to meet federal performance standards.

The system has been in production and running without problems since April 2001. The DLI's IT staff operates and maintains the system without support from us. Upon the completion of this engagement, the DLI realized the following advantages:

- Combined multiple legacy systems into one integrated system, using a standard architecture – 22 legacy systems were replaced
- Provided a single integrated system to process UI, EB, TRA, and DUA claim types
- Increased productivity and flexibility in resource deployment
- Increased efficiency through automated work processes in the workflow application
- Enhanced performance measurement tools
- Improved employer and claimant services through immediate access to claimant correspondence in the imaging system
- Significantly reduced need for paper management reports by using web-based online parameter-driven reports
- Improved the speed and quality of decision-making through greater access to more electronic information
- Enhanced system monitoring of batch and online processes through the process monitor and associated reports
- Implemented table-based rules supporting easy updates due to changes in legislation, reducing the need for extensive reprogramming
- Provided improved data access and system functionality growth and expansion due to the scalable, modular design
- Reduced manual paper-based functions, enabling staff to spend more time interacting with customers and improving service
- Reduced data redundancy with improved data control and integrity
- Improved security for transaction-based processing
- Implemented application-level security controlling access to certain types of data and functions
- Saved money by retiring the costly mainframe legacy platforms
- Migrated staff from task-oriented to value-added functions because the system now performs many routine, manual processes

**Committed to Client Achievement**

"[MISTICS] uniquely identifies each of our claimants and employers, tracks their claim participation, across all of the benefit programs, and provides a single, up-to-the-minute profile on each client. This profile allows our workers, for the first time, to coordinate their casework for the benefit of our clients… We are very satisfied with the MISTICS application I can attest to the quality and efficiencies that the MISTICS system has provided the State of Montana and its citizens. We would recommend Deloitte to any government entity considering your services."

**Keith Kelly**
Commissioner
Montana Department of Labor and Industry

# State of Pennsylvania

## Department of Labor & Industry and Department of Public Welfare

**Commonwealth Workforce Development System (CWDS)**

"Your improvements to the employer side of CWDS are a homerun. You made the employer the center of the experience and that will bring in new business…We now have a product that competes well with the private sector."

**John Brunken**
Supervisor
PA CareerLink Delaware County at Chester City speaking about employer focused system enhancements

Deloitte worked with Pennsylvania's Department of Labor and Industry and Department of Public Welfare to design, build, test, and deploy the Commonwealth Workforce Development System (CWDS). CWDS provides a shared data system for documenting, tracking, and reporting workforce development, employment, training, and independent living services that are provided by the Commonwealth of Pennsylvania. With the implementation of CWDS, the Commonwealth of Pennsylvania not only responded to the Governor's Job Ready Pennsylvania program, they also incorporated industry best practices and innovative technology into a single integrated application that serves over 5,000 Commonwealth and business partner staff, 2 million citizens/job seekers and over 50,000 employers and 20,000 providers.

The Pennsylvania Department of Labor and Industry (DLI) and Pennsylvania Department of Public Welfare (DPW) have established themselves as national leaders in integrated workforce service delivery by applying technology to improve business processes and service delivery in the Commonwealth of Pennsylvania. CWDS linked three distinctly different workforce partnership agencies (WPAs) in a unified system that replaced 3 legacy systems and converted millions of records. A unified system means improved documentation and communication across agencies leading to improved customer service and response time to the client. The centralization of data resulted in a true cross-agency view for staff reducing the duplication of data and enhancing the "one-stop" assistance service centers for citizens. Instructor-led training was provided to 5,000 end users and implementation field-support to nearly 200 offices for a 13-week period supplying end-users with hands-on assistance.

### *The Challenge*

Governor Rendell underscored the economic imperative of improving the efficiency and effectiveness of the Commonwealth's Workforce Development program in his 2005-2006 budget address entitled 'Job Ready Pennsylvania'. Streamlining and refocusing the workforce development program around the identification, development, and placement of individuals with highly-demanded skills is important to building a solid foundation for the Commonwealth's future workforce. Eliminating the bureaucracy, improving customer service and accessibility and building a framework for accountability are valuable tools to support the efficiency, monitor performance and measure the success of this new program.

CWDS is about establishing such a framework, by consolidating three agencies, and numerous local, information systems into a single integrated information framework supporting Commonwealth's workforce development needs. This comprehensive tool supports staff, employers, job seekers, and training providers to reduce bureaucracy and

administrative burden. Self service access and enhanced system functionality allows Commonwealth staff to refocus their efforts on assisting Pennsylvanians to develop new skills and become productive members of our State's workforce.

This new custom developed system, CWDS, has replaced the DLI Workforce's CareerLink system, DLI OVR's mainframe and counselor toolset, DPW's BETP AIMS system, and up to 23 disparate local applications used by Local Workforce Investment Areas (LWIAs) across the Commonwealth.

## *Objectives*

Information systems consolidation of this magnitude was a very complex task. Apart from collecting the requirements of numerous organizations with differing goals and objectives, the resulting system was also required to:

- Meet the needs of each of the WPAs (DLI Workforce, DLI OVR, DPW BETP) and the field case workers for all of the replaced systems and affected programs
- Respond effectively and rapidly to future changes in any of the underlying workforce development programs and/or supporting technologies
- Support the efficient use of a large, diverse base of users possessing differing skill levels and accessibility needs
- Optimize system performance, and minimize maintenance complexity and reduce production support costs
- Incorporate historical data from a large number and variety of diverse information systems

## *Solution*

CWDS was more than four years in the making – Requirements sessions were held from summer through fall 2004. In January 2005 DLI issued RFP and the spring of 2005 the proposals were evaluated by team from all three agencies. The contract was awarded to Deloitte Consulting LLP and the 5 year contract was finalized in August 2005. The proposal was evaluated by the team from all three agencies and Deloitte Consulting LLP won the bid on the basis of their technical expertise in the design, development, deployment and project management of large-scale, complex information systems, in comparable technical environments.

The project consists of multiple system releases with each release building on the previous release. There have been 3 successful system releases between 2007 and 2010.

- Release 1 - Replaced Workforce CareerLink operating system, OVR Mainframe, Counselor Toolset, and DPW AIMS. Included IAM, GIS engine, offline data entry, enterprise wide unified security system for employer provider, participants and staff, multilingual support including Spanish

- Release 2 - System enhancements and local case management functions, resume uploads, optimized job seeker and employer match algorithms
- Release 3 - Integration of 5 BWDP legacy systems including standalone financial management, more intuitive and friendlier interface for employer, digital signatures, ARRA Functionality

Each release of the project was completed on time and on budget by a dedicated Deloitte team working in conjunction with an on-site Commonwealth staff. At the height of development, CWDS staffed 110 Deloitte team members and subcontractors, 26 trainers throughout the Commonwealth and 30 on-site Commonwealth Team members. In addition to this core team, constant interaction occurred with Commonwealth IT Staff; Bureau of Infrastructure Operations, Bureau of Enterprise Architecture, network support, LINKS Help Desk, the Governor's Office of Automation and all corresponding DPW IT personnel.

CWDS is the first of its kind in the country; integrating three distinct agencies into a single information system, providing a uniform, consistent and single online service for programs delivered by:

- DLI – Bureau of Workforce Development Partnership (BWDP)
- DLI – Office of Vocational Rehabilitation (OVR)
- DPW – Bureau of Education and Training Programs (BETP)

CWDS has a unique citizen centric framework that provides Employment, Training, Education, Rehabilitation, and Income Support benefits through more than 30 services implemented by almost 20 supportive programs, including:

- Workforce Investment Act (WIA Adult, WIA Youth, etc)
- Alternate Trade Adjustment Allowance (ATAA)
- Trade Adjustment Allowance (TAA)
- Veterans (VET)
- Vocational Rehabilitation (VR)
- Independent Living (IL)
- Specialized Services (SS)
- Wagner Peyser
- Profile Re-Employment Program (PREP)
- Self Employment Assistance (SEA)

CWDS provides a shared data system for documenting, tracking, and reporting workforce development, employment, training, and independent living services that are provided by the commonwealth. The system services:

- User size
  - 5000+ Commonwealth and Business partner staff
  - 50000+ employers
  - 20000+ providers
  - 2 million+ job seekers
- Application Size
  - 500+ .NET pages
  - 60 GB database
  - Over 2200 stored procedures
  - 35 batch jobs and 123 reporting batch jobs
  - 41 interfaces
  - 120 canned reports
- Transaction Volume of HTTP Request
  - 4 million daily Internet hits (peak)
  - 500 thousand Internet hits per hour (peak)
  - 2.5 million daily Intranet hits from Commonwealth staff
  - 312,500 Intranet hits from Commonwealth staff per hour
  - Sub-second response times on 95% of transactions

CWDS is a unique citizen centric system with many innovative features -

- It provides ability to generate reports which help track citizen activities in a timely manner
- Agile system with an ability to adapt to change and implement future workforce e.g. integrate ARRA funding, green jobs, local case management
- Centralized infrastructure allows OIT to easily coordinate activities with the three agencies

CWDS business drivers -

- Accountability for workforce funding and expenditures
- Implementation of an intensive “case managed” customer
- Matching partner agency business processes to align with PA’s Performance Management Plan
- Coordinated delivery of and access to workforce programs across the state
- Support for expanded local office requirements
- Provide for an integrated view of the customer

- Creation and maintenance of an electronic customer/partner record
- Enhanced reporting capability
- Development of a system that supports Section 508 standards for accessibility and usability
- System security

## *Results*

In the Commonwealth of Pennsylvania, Deloitte is helping job seekers find work through the implementation of a comprehensive self-service workforce system. These results are consistent with Florida's objective of helping people find work.

With the implementation of CWDS, the Commonwealth of Pennsylvania not only responded to the Governor's Job Ready Pennsylvania program, they also incorporated industry best practices and innovative technology into a single integrated application. This unified system has improved documentation and communication across agencies leading to improved customer service and response time to the client. The centralization of data resulted in a true cross-agency view for staff reducing the duplication of data and enhancing the "one-stop" assistance service centers for citizens.

Job seekers in Pennsylvania are assisted by a job matching functionality that utilizes nationally standardized occupational (O*NET) codes that were simply not available through the antiquated legacy systems of the past. This functionality, along with over 873 objects developed on a BSCoe.NET framework has proven to be extremely helpful for the jobseekers in locating appropriate job matches.

Some of the cost and efficiency benefits the Commonwealth has realized by the successful implementation of this integrated program include:

- Increased self-service functionality for job seekers, employers, and providers
- Improved constituent service delivery, with anticipated improvements in both program performance metrics and constituent satisfaction
- Improved data access and quality so that management, staff, and constituents can make more informed decisions
- Reduced administrative costs, and freeing funds for investment in workforce training and readiness
- Reduced data collection and reporting redundancy, affording workers more time to spend assisting citizens to secure productive roles in the workplace
- Improved cycle times of placements for job seekers and employers by tracking the need for, and development of, sought after job skills

CWDS has already achieved the following expected business results:

- Increased financial accountability through tracking funding streams for the three agencies through the Financial module and via interfaces with the Commonwealth Treasury for fund management

- Increased efficiency of service delivery to customers by providing a complete view of all transactions across BWDP, BETP and OVR through a unified and integrated case management process
- Improved data integrity and reporting capabilities, particularly for participants served by more than one of the partnering agencies
- Provides a Spanish translation of all public facing screens for the population of job seekers that speak Spanish
- Accessibility: Section 508 Compliant
- Correspondence generated in large print and Braille
- CMMI Level 2 compliant processes and procedure

As a result of the American Recovery and Reinvestment Act (ARRA) the following enhancements have been made to the CWDS application:

- Employers now have the ability to indicate "ARRA Job Orders" right when the job order is created, which helps BWDP track ARRA jobs effectively
- Job seekers can search for and view jobs that have been identified as "Green Jobs"
- Changes were made to the WIA and Trade programs to meet federal mandates and keep BWDP in compliance
- The electronic document management functionality was enhanced for OVR's needs, thus providing an opportunity to reduce the need for paper documentation
- OVR cases are now able to be digitally signed by participants and case managers, reducing the need to print paper copies to obtain wet signatures

Due to the timely implementation of this system the state could effectively serve the citizens in the severe recession of 2008-09 and helped half million unemployed citizens when their need was the greatest.

In 2009 alone, CWDS tracked and reported:

- Total Job Openings of Job Orders Posted– **250,164**
- Total Number of Job Orders Posted– **56,486**
- Total Number of new citizens enrolled– **314,363**
- Total Number of new employers– **5,425**
- Total Number of job referrals– **2,281,114**

In response to the stimulus bill, CWDS is used for tracking:

- ARRA for BWDP Summer Youth participants for 2009 - **9,870**
- Number of participants receiving ARRA funded training in 2009 – **4,251**

The team was honored with receipt of the awards below:

- February 2008 – **ComputerWorld Award** for Application Security using Identity Access Manager (IAM)
- June 2008 – **Digital Summit Award** for Government-to-Citizen technology solution

The state earned national recognition for excellence in workforce development when Pennsylvania received two awards for contributions to the success of the nation's public workforce system:

- Secretary Vito received the **Eagle Award** for her contributions to workforce development and related services, and her efforts to serve employers and workers
- Pennsylvania received the **Excellent Award for Leadership** for PA's Regional Career Education Partnerships for Youth Initiative (RCEPs)

# Commonwealth of Kentucky

## Department for Employment Services

**Kentucky's Electronic Workplace for Employment Services (KEWES)**

**As Kentucky's UI Systems aged, the Department of Employment Services (DES) realized there was a strong need to improve services. By implementing a complex customer-relationship-management (CRM) system, and integrating it with their legacy systems, Kentucky is now reaping the benefits of improved services and cost savings.**

**Committed to Client Success**

"In Deloitte we found a partner that shared our vision, and that had the resources to make it a reality."

**Larry W. Moore**
KEWES Project Manager, 1999-2003
Kentucky Department for Employment Services

The Kentucky KEWES project encompassed re-engineering, design, development, and implementation of Kentucky's new, web-based UI information system for managing both employer UI taxes and benefits claims.

The improved DES system's name is Kentucky's Electronic Workplace for Employment Services (KEWES). The following describes its challenges and objectives, and our solution, infrastructure and tools, and results.

### *Challenge*

In 1999, the Kentucky Department for Employment Services (DES) released a Request for Proposal to improve service both internally among its 600 employees and externally for thousands of employers and UI claimant customers. The DES required a solution that:

- Integrated with their mainframe systems for report processing and with a newly implemented document imaging system
- Created a user-friendly intranet operating environment to enhance communication throughout the Agency
- Created opportunities for non-traditional work settings (e.g., virtual office and telecommuting) not currently available to their staff
- Enabled DES customers to access information and services in the local offices and remotely during expanded hours via telephone and the Internet, including filing and processing quarterly UI tax reports (employers), applying for and processing UI claims (individual claimants), and accessing UI information (both employers and claimants)

**Committed to Client Success**

"This project [KEWES] will dramatically improve services by transferring paper-pushing to machines and allowing staff members to spend their time face to face helping Kentuckians access jobs and training."

**Governor Paul E. Patton**
Commonwealth of Kentucky

### *Objectives*

The Kentucky DES had the following goals for KEWES:

- Improve customer service to UI recipients
- Increase workflow efficiency and enhanced DES staff capabilities
- Increase process automation for both recipients and DES staff
- Enhance performance measurement tools for the State and employers

**Committed to Client Success**

"I wish to express my praise for the New Account Registration portion of KEWES. We process applications employers file online through the Internet and paper applications. Paper applications are scanned into the system. The online applications are received directly into an inbox. The online applications save an enormous amount of time for us, as the system captures the data that is submitted and there is no need for double entry of information. The scanned applications also save an enormous amount of time as some information that would be keyed in more than once, is now only keyed once. This has shortened processing time and is more efficient and produces fewer errors. We normally would have a backlog of applications, due to the shortage of staff, of at least three months. We now, usually at the most, have a backlog of less than three days."

**Peggy H. Jump**
Section Supervisor of Tax Status
Division of Unemployment Insurance

## *Solution*

To meet these challenges, we proposed and were awarded a contract to integrate the following technologies with the State's mainframe environment:

- Customer Relationship Management (CRM)
- Workflow and document management
- Call center development
- Internet/intranet development

We designed a solution that combines industry-leading commercial tools into an integrated KEWES architecture. The new UI system meets the needs identified by the Department:

- **Customer Relationship Management.** The primary component in the KEWES system is the Siebel 2000 set of tools. Siebel's enterprise resource management (ERM) applications create a closed-loop, end-to-end customer care system that empowers the DES to manage and increase the effectiveness of interactions with their customers – the State's employers and the UI benefits recipients. Siebel software enables DES customer service professionals to view complete customer histories online, allowing them to better serve Kentucky's citizens. Siebel tools are fully customizable to make certain that all screens and onscreen data meet DES requirements.
- **Workflow/document management.** The system uses FileNet to perform the workflow/document management functionality. FileNet provides enhanced functionality and facilitates integration with the Kentucky Revenue Cabinet's Modernized Front End (MFE). Specifically, the system uses FileNet IDM Desktop and Visual Workflow, along with licenses to access the MFE FileNet server, which serves as the document repository for the KEWES system. We integrated FileNet with Siebel to create a seamless application enabling department agents to access FileNet document images from within the Siebel application.
- **Internet/intranet.** The KEWES system includes Internet applications providing self-service functionality to employers and insurance claimants. We developed these applications using web development technologies such as HTML, Active Server Pages, and JavaScript.
- **Delivery schedule.** The KEWES project provided capability in five increments:
  - **1. Employer Internet Reporting.** This increment provided employers with the capability to file their quarterly UI tax reports over the Internet. Employers can either complete an electronic screen form or upload a file containing their tax information.
  - **2. Employer Account Maintenance**. This increment provided UI staff with the capability to do such things as register new employers, perform transfers, and make status, address, or other contact information modifications using a single, web-based tool.

### Committed to Client Success

"Deloitte has delivered a state-of-the-art Unemployment Insurance system based on the best customer relationship management and electronic document workflow tools available. They have assisted DES in reengineering our processes to take advantage of technology, while customizing their solution to meet the unique needs of Kentucky's citizens. Thanks to Deloitte, the vision of KEWES has become the reality of cost-effective, efficient customer service for Kentuckians for years to come."

**Larry W. Moore**
KEWES Project Manager, 1999-2003
UI Reengineering Task Force Leader, 1997-1999
Kentucky Department for Employment Services

- **3. Tax Collection and Enforcement.** This increment addressed the activity associated with collecting delinquent taxes and reports. KEWES helps automate many processes such as identifying delinquent filers, generating assessments, filing liens, imposing levies, processing dishonored checks, initiating civil actions, and making assignments for field staff.
- **4. Internet Claims Process.** This increment focused on providing streamlined services to Kentucky's UI claim filers. It provided the capability to file unemployment claims over the Internet and access electronic claim documents via the Internet. In addition to providing Internet-based claims service, the system integrates with an Interactive Voice Response (IVR) system provided by a third-party vendor. It provides claimants with the ability to file UI claims while talking with a claim agent via the telephone.

## Self-Service Functionality

KEWES includes the following self-service functionality:

- Employers:
- New Account Registration
- Address changes
- Submit employer wage reports online
- Upload wage report via standard file format
- Claimants
- Initial and Reopened Claims
- Continued Claims
- Change Password

## *Infrastructure and Tools*

The following table lists all project software and hardware.

| | |
|---|---|
| **Hardware** | IBM RS6000 S70 & Multiple Compaq Proliant Server. |
| **Software** | Oracle Siebel CRM, Oracle Designer 2000, Oracle Developer 2000 (Forms 5.0 & Reports 3.0), Visual Basic, Crystal Reports, IBM CICS Gateway. Software will support future intranet and Internet activity. |
| **Database** | Oracle 8.1.7 |
| **Operating System** | AIX & Windows 2000 |
| **Network** | TCP/IP, FTP and standard Internet browsers. |
| **Design and Development Tools** | Oracle Designer 2000, Oracle Developer 2000, ERwin Data Modeler, Platinum SQL Station, MKS Source Integrity, MKS Track Integrity |
| **Project Management Tools** | MS Project |
| **Performance Testing Tools** | NA |
| **Enterprise Application Integration (EAI) Tools** | NA |
| **Document Imaging/Workflow Software** | FileNet Integrated Document Management (IDM), FileNet Panagon Visual Workflow, FileNet Panagon Print, Datacap Paper Keyboard, RightFax |
| **CRM/IVR Software** | Microlog |
| **Technical Architecture** | Client/server application using Oracle Forms 5.0 |
| **Project Approach and Methodologies** | Legacy BearingPoint's Delivery Framework Methodology, OOA/OOD (Object oriented analysis and design including component based development) |
| **Reporting Tools** | Oracle Reports 3.0 and Crystal Reports, MS Word for correspondence |

**Exhibit A-15. Technical Infrastructure and Tools used to implement the KEWES Project.**

## *Results*

Did you know

KEWES makes Kentucky's DES one of the most technologically advanced UI agencies in the United States.

Through the use of the latest Internet and telephone technologies to provide constituent service, KEWES makes Kentucky's DES one of the most technologically advanced UI agencies in the United States.

- Employers are able to:
  - Submit reports electronically; establish, close out, or transfer accounts; receive notice of initial claim filings, quarterly benefits charges and annual rate notices
  - Access UI information, publications, forms, reserve account balances, benefits charges and credits, tax rates, refund status, and appeals status
  - Make payments through electronic funds transfers

Did you know

- With KEWES, employers submit reports electronically; establish, close out, or transfer accounts; receive notice of initial claim filings, quarterly benefits charges and annual rate notices
- With KEWES, claimants file for unemployment benefits via the Internet, over the phone, or in person, and renew claims on the Internet.

- Benefit claimants are able to:
  - Obtain UI information on the Internet
  - File for unemployment benefits via the Internet, over the phone, or in person
  - Renew claims on the Internet
- DES staff are able to:
  - Electronically store information and audit UI tax reports
  - Electronically initiate unemployment benefit claims
  - Easily and quickly access employer and claimant information
  - Be flexible in who provides customer services and where they are provided
  - Electronically access training manuals and other information
  - Electronically access correspondence and notices related to employers and claimants
  - Focus on providing employment opportunities to claimants

Upon the completion of this engagement, the DES realized the following measurable results:

- After implementation, 90% of claims were filed electronically. The highest claim load (December) was processed with reduced staff and no hiring of seasonal help
- The system has enabled the department to audit roughly three times as many employer reports with one fourth of the staff.
- The system has enabled the department to process approximately twice as many new employer account registration requests with roughly 50% of the staff
- On average, the system has enabled collections specialists to complete approximately seven times as many Collections actions as before the KEWES implementation. Also, the KEWES Collection process eliminates the bank of file cabinets used to store paper accounts receivable files. These files are now created within the KEWES image process

# State of Utah

## Department of Workforce Services

**Comprehensive Unemployment Benefits System (CUBS)**

**In this UI Benefits modernization project, we provided functional and technical knowledge, as well as project management assistance, to the Utah Department of Workforce Services (DWS), UI Division, Benefits Bureau, during the requirements phase of their Comprehensive Unemployment Benefits System (CUBS) project.**

The State of Utah's UI modernization project required a detailed business, technical, and requirements assessment to establish a sound foundation for development. The following section includes information on the project's challenge, objective, solution, infrastructure, and results.

Did you know

Our work with the MISTICS project in Montana served as a basis for developing CUBS in Utah.

### *Challenge*

The Utah DWS was well on its way to defining functional and technical requirements for its new UI Benefits system, CUBS. While defining their business processes and technical solution, they discovered that they needed assistance with some of the phases of system development, recognizing that correctly defining their business rules was essential to the success of the project.

### *Objective*

DWS' objective was to gain the expertise and assistance needed to complete system development successfully.

### *Solution*

DWS engaged us to provide re-engineering expertise and project management assistance.

We provided project management and business process analysis assistance, mentoring, and training to the project team in the following areas:

- Key development aspects for a client-server project in the UI environment
- Project management approaches
- Project planning, including general analysis, proposed direction, and assistance in project scheduling
- Review of existing hierarchical charts, flowcharts, and proposed modifications based on experience from the development of MISTICS for the State of Montana – emphasizing process integrity and accuracy and perceived "disconnects" in processes
- Development of business rules that resulted from the flowcharts, and a process for creating and conducting evaluative rules testing
- Data modeling techniques, testing, and change procedures

- Data extraction, insertion methods, and SQL construction
- Written analysis of the data model and proposals to manage changes to the data model, enhancing data reliability, durability, and security
- Analysis of the accounting model, in particular, the payments, overpayments, and transaction processes

## *Infrastructure and Tools*

Utah DWS selected Versata Studio 5.0 as their development environment, defining their business objects in the Versata Repository and client application in Java. The database is Oracle's RDBMS. To identify "gaps" in the analysis process, they created various spreadsheets and process flow diagrams, which they used to produce use cases. Later on, they used the cases in the prototype and development project phases.

The following table lists all project software and hardware.

| | |
|---|---|
| **Hardware** | N/A |
| **Software** | Microsoft Office, MS Visio |
| **Database** | Oracle 8i RDBMS |
| **Operating system** | Windows 2000 |
| **Network** | TCP/IP, FTP and standard Internet browser |
| **Design and Development Tools** | Oracle Designer 2000 (data modeling), Microsoft Excel (database and data analysis), Microsoft Word (business use cases, miscellaneous documents), Microsoft Visio (process flow diagrams) |
| **Project Management Tools** | MS Project |
| **Performance Testing Tools** | N/A |
| **Enterprise Application Integration (EAI) Tools** | N/A |
| **Document Imaging/Workflow Software** | N/A |
| **CRM/IVR Software** | N/A |
| **Technical Architecture** | N/A |
| **Project Approach and Methodologies** | Legacy BearingPoint's Business Process Improvement (BPI) methodology – a component of the legacy BearingPoint Delivery Framework methodology |
| **Reporting Tools** | Crystal Reports® |

**Exhibit A-16. Technical Infrastructure and Tools used to implement the CUBS Project.**

## *Results*

By using best practices and lessons learned, we assisted the Utah project team with:

- Identification of various functional areas
- Input to the processes previously defined
- Continuation of their business process definitions (use cases) and technical implementation

# Getting Results for Our Clients – Client Satisfaction and Successful Systems Integration

### Deloitte a leader in Forrester EMEA and NA SOA Integrators Wave Research

"Deloitte (along with other leaders) is very competent provider of SOA-based solutions with a growing base of satisfied clients."

**Tim Sheedy**
The Forrester Wave: North American SOA Systems Integrators, Q2 2009

**Deloitte has decades of experience with many technical and functional challenges facing our clients. We have emerged as a leading systems integrator, as measured by the following comments from industry analysts:**

- Washington Technology 2009: Top 25 Federal Contractor
- Government Executive 2008: Top 200 US Federal Contractor 2008
- Defense News 2008: Top 100 Defense Contractors 2008
- Kennedy 2009: Recognized as one of the fastest-growing consulting firms serving the public sector and named the advancing Vanguard management consulting practice
- Kennedy Information: #1 in Global Talent Management Consulting
- Kennedy Information: #1 in Operations Management Consulting
- Gartner Magic Quadrant 2009: Deloitte North America is positioned in the Leader's Quadrant in two key service areas--ERP and CRM
- Forrester Wave Q109: Leader in Information Security Consulting and IT Risk Consulting
- Forrester Wave Q109: A Leader in Service Oriented Architecture for EMEA and NA
- Ethisphere Institute: Top 5 Best Private Company Ethics Programs (2008)
- Best Renewable Energy Advisory Firm, by Environmental Risk Magazine (2008)
- 2007 Mentor of the Year, Department of Treasury Mentor Protégé Program
- Top 50 Military-friendly employer 2008, by GI Jobs

# Why the Deloitte Team

Delivering Business Value

"The level of UI knowledge that Deloitte brought to this project, as well as the organized methodology surrounding requirements, design, conversion and implementation documents and processes, was nothing short of amazing. This project had a very aggressive time schedule and their level of experience and planning allowed us to hit the ground running. All Deloitte staff are true team players and, working together, NHES and Deloitte were able to find creative solutions to challenging business problems. Their willingness and ability to find common ground and add value exceeded my expectations. It was a professional and personal pleasure to work with them."

**Dianne Carpenter**
NH UIM
Business Project Manager
State of New Hampshire
Department of Employment Security

**With Deloitte, your agency gets a partner with people who understand your business challenges, a record of accomplishment within the UC industry, and a proven UC Solution Framework that helps us build a customized solution that works for you. Our solution approach is built on experience successfully implementing Benefits, Tax, and other related UC programs in other states. You can rely on the Deloitte team to generate significant ROI for your UC program.**

The most important factor to consider when selecting a partner for your agency is to select the people that have the experience to implement a UC modernization solution in your agency. Our national unemployment practice within Deloitte provides seasoned professionals that have success implementing UC modernization efforts. Our people have been with us from day one and know your business. The experience and "best practices" gained from successful UC modernization engagements is integrated into our *uFACTS Knowledge Repository* and overall methodology. These tools aid your success on day one. Our UC modernization experience in Minnesota, Massachusetts, New Hampshire, Ohio, Florida, Montana, and Kentucky prepare and qualify our team to be your partner. You are positioned to succeed with our combination of deep industry-based experience and experience developing requirements and use cases positions.

Another critical factor is the use of a proven solution approach. The uFACTS Solution Framework demonstrates our ability to combine technical expertise with business understanding – this approach allows us to effectively build a custom solution for you while mitigating project risk. We offer a proven flexible, effective, and user-friendly solution built around basic software application services that correspond to your key UC program activities—UC Tax, UC Benefits, Program Integrity, Appeals, Field Audit, and Economic Research. We designed uFACTS to enable you to focus on solving your business problems, rather than worrying about the technology. The uFACTS Solution Framework is built on an open architecture that allows us to implement an overall solution consistent with your technology standards. Our solution framework allows us to meet your agency's unique business and technical requirements.

A final factor to consider is the overall project methodology. In addition to our people, experience, and solution approach, Deloitte brings an award winning project methodology that lowers project risk and improves overall service quality. Our disciplined approach (**CMMI Level 4 for our Minnesota project**), our robust solution, and our industry-based experience qualify us to engage with your agency on this important initiative. We strive to bring the same success we have brought to our other modern UC clients to your agency.

**You receive a winning solution when you choose Deloitte. Our goal is to earn your respect by helping you deploy your strategic new system.**