I. Project Identification

Project Title: CT State Information Data Exchange System (SIDES)

Agency Name	Agency Business Unit
Department of Labor	

	Phone	Email
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II. Project Details

A. Project Dates

Proposed Start Date (MM/DD/YYYY)	**Expected Completion Date** (MM/DD/YYYY)	**Project Duration** (in months)
06/02/2014	09/30/2016	20

B. **Project Description -** This information will be used for listings and report to the Governor and General Assembly on capital funded projects.

The CT SIDES Project implements the systems needed for Connecticut to participate in the State Information Data Exchange System (SIDES) program. SIDES is an online system developed through a strategic partnership between the US Department of Labor and state unemployment insurance (UI) agencies that allows electronic transmission of UI information requests from state UI agencies to employers and/or Third Party Administrators (TPAs), as well as electronic transmission of responses containing the requested information back to the agencies.

Connecticut is pursing the development of this project as part of a national initiative to standardize employer communication. Forty-five (45) state UI agencies in the country are utilizing SIDES with the remaining states in the planning stages.

The project is approximately 45% through the Design Phase. We expect to complete Design in November, followed by a four-month Development phase and a 5-month Test effort. Implementation is expected in September 2016. Upon assessing the project's requirements, the Agency has determined that two additional development resources are needed in order to meet the September 2016 implementation date. The two consultant resources will assist DOL IT with system development as well as fixing any problems arising from the 5-month Test phase. The consultants are looking to be retained post-implementation for one month to ensure production stability.

C. **Summary.**

Summary - Describe the high level summary of this project in plain English without technical jargon
In order to determine individual's eligibility for unemployment benefits, information must be obtained from the claimant and the employer. Currently this requires notices and questionnaires to be mailed to the parties and their responses mailed or faxed back. CT SIDES will allow employer separation information to be requested and received electronically.
Purpose – Describe the purpose of the project
SIDES is an online alternative for employers to replace hard-copy hearing and Lack of Work Verification notices. Its purpose is to improve the Ul information exchange process- allowing information to be exchanged in a timelier and more efficient manner.
Importance – Describe why this project is important
On November 20, 2009, President Obama signed E.O. 13520, Reducing Improper Payments, which emphasized the need to eliminate waste, fraud, and abuse in federally administered programs while protecting access to these programs by their intended beneficiaries. Since then, the Employment and Training Administration {ETA) has been working aggressively to reduce Ul improper payments by collaborating with states. Additionally, Connecticut has made reducing waste, fraud, and abuse of the UI program one of its highest priorities. Connecticut sees the implementation of SIDES as a key strategy in this priority.
Outcomes – What are the expected outcomes of this project

By providing employers and TPAs with the ability to receive and respond to hearing and Lack of Work Verification notices electronically, SIDES streamlines the process of Ul employment information gathering, saving time and money by: 1) eliminating delays related to paper mail delivery and allowing more time to gather information and respond timely; 2) ensuring more complete information is provide through standard edits, validations and business rules, reducing time consuming follow up phone calls; 3) reducing paper handling, staff time and postage costs. As a result, improper payments are prevented and Ul tax rates are kept as slow as possible. In addition to significant administrative cost savings, two of the largest causes of Ul overpayments are addressed: incorrect initial eligibility decisions (job separation issues) and working while receiving benefits. Realizing these savings and addressing these problems contributes to our effort meeting the goals outlined in E.O. 13520 as well as keeping in line with our agency's priorities.
Approach and Success Evaluation – Provide details of how the success of the project will be evaluated
The project's success will be based on the following metrics: • Employer response timeliness • Benefit payment timeliness • Employer response quality • Operations costs reduction (postage) • Operations costs reduction (staff time)

D. **Business Goals**. List up to 10 key business goals you have for this project, when (FY) the goal is expected to be achieved, and how you will measure achievement, Must have at least one. Please use action phrases beginning with a verb to state each goal. Example: "Reduce the Permitting process by 50%". In the Expected Result column, please explain what data you will use to demonstrate the goal is being achieved and any current metrics.

Business Goal (Action Phase)	Target FY for Goal	Current Condition	Expected Result
Faster employer response time and first payments for claimants that require lack of work verification.	FY17	ack of work response time between 5-8 calendar days, first payments 6-9 days	Response time to be reduced to 2-6 days for participating employers, first payment 3-7 days
Improved employer response quality for separation hearing resulting in fewer appeal reversals and the resulting overpayments	FY17	We occasionally receive inconsistent employer responses. This requires us to request additional information from employers which we sometimes do not receive.	We expect to see improved response quality from SIDES employers and TPA's which will result in times savings due to fewer requests for rebuttals.
Reduction of costs staff time (Reduced need for employer clarification)	FY17	We estimate that adjudicators spend 4 hours each week in employer call backs for additional information as the original information is incomplete or unclear.	We anticipate that with the improved response quality received from SIDES and SIDES E- Response, it would result in time savings of at least 1hour per week per adjudicator, for a total of 3600 hours per year.

Reduction of costs staff time (reduced scanning time)	FY17	Adjudications staff in each hub spend approximately 3-4 hours per week statewide performing scanning duties.	e expect to see a slight reduction in time with scanning time. However, scanning will still be necessary for employers who do not participate in SIDES.
Reduction of costs -postage and processing	FY17	In CY 2013, approximately 105,000 requests for separation information forms were sent out. Postage and handling costs are approximately $0.63 per notice.	With an estimated initial 30% participation rate, SIDES and SIDES E-Response will eliminate pprox.. 31,500 UC61a's per year with corresponding reductions in postage, materials, and labor costs, a savings of $19,845.

E. **Technology Goals**. From a technical perspective, following the above example, list up to 10 key technology goals you have for this project and in which Fiscal Year (FY) the goal is expected to be achieved. Please use action phrases beginning with a verb to state each goal. Example: "Improve transaction response time by 10%".

Technology Goal	Target FY for Goal	Current Condition	Expected Result
Utilize USDOL automated Data Exchange System	FY17	Currently a manual effort and mailed follow-up phone calls. Delays.	Automated using USDOL's Data Exchange System. Build interface and web front-end for employers. Eliminate delays related to manual paper mail delivery and handling. Automated system is available 99.9% with secure and redundant services. 24 hour system administration and support desk from USDOL.
Reduce errors and legibility issues	FY17	Currently a manual effort with no automated edit, validations and business rules build in.	Automated system will have edits, validation rules in place to ensure more complete information and reduce eligibility issues. Will also allow UI and TPAs/Employers more time to gather and respond.
Transmit information exchanges securely	FY17	Currently manual effort and mailed	Automated system will utilize a secure connection to encrypt and transmit data.

F. **Priority Alignment.** The criteria in this table, in concert with other factors, will be used to determine project priorities in the capital funding approval process. Briefly describe how the proposed projects will align with each criterion.

Priority Criterion	Y/N	Explanation
Is this project aligned with the Governor's Key Priorities?	YES	SIDES will provide employers and TPA's clear cost savings and a more user friendly and efficient way of transmission of data. Information will be more accessible on-line.
Is this project aligned with business and IT goals of your agency?	YES	SIDES will be available to all Connecticut employers and TPA's. Creation of SIDES will deliver key customer services through the use of up-to-date technology.
Does this project reduce or prevent future increases to the agency's operating budget?	YES	It is expected that the CT SIDES project will reduce agency expenditures through postage and staff savings.
Will this project result in shared capabilities?	NO	
Is this project being Co-developed through participation of multiple agencies?	YES	CTDOL is working with the US Department of Labor in this effort.
Has the agency demonstrated readiness to manage project of this size and scope?	YES	The agency follows DAS BEST's System Development Methodology (SDM) when manage implementing IT projects, per Executive Order 19.
Is the agency ready to deliver the business value proposed?	YES	USDOL is fully backing this project and CTDOL has committed dedicated resources to build this system that deliver the stated business value.

G. **Organizational Preparedness**. Is your agency prepared to undertake this project? Is senior management committed, willing to participate, and willing to allocate the necessary time, energy and staffing resources? How will the project be managed and/or governed and who will make the key project decisions?

In following the System Development Methodology, the agency has put in place a Project Steering Committee (PSC) attended by agency Directors, which will govern the project. The PSC has appointed a project team, in accordance to SDM.

H. **Project Ramp Up**. If capital funds are awarded for this project, how long will it take to ramp up? What are the key ramp-up requirements and have any off these already been started? For example, has a project manager been identified? Has an RFI been issued? Is a major procurement required such as an RFP?

The agency's Project Steering Committee approved the project and appointed the project team in 2014. The project has been actively underway since January 2015. The agency is conducting the project in-house and as such, no RFI or RFP was required

I. **Organizational Skills**. Do you have the experienced staff with the proper training to sustain this initiative once it's a production system? Do you anticipate having to hire additional staff to sustain this? What training efforts are expected to be needed to maintain this system?

The core processes of the project will be transparent to the business end-user. Business maintenance of the system will be taken care of through intuitive data entry screens. Routine system maintenance will be overseen by qualified IT personnel.

J. **Financial Estimates.** From IT Capital Investment Fund Financial Spreadsheet

Estimated Total Development Cost	Estimated total Capital Funding Request	Estimated Annual Operating Cost	One Time Financial Benefit	Recurring Annual Financial Benefit
$1,105,986	$372,758			$19,845
Explanation of Estimates				
Total Development Costs includes $733,228 acquired through funding from a Supplemental Budget Request. Development costs are exclusive federal funds received for fringe benefits costs. Capital Funding Request ($372,758), reflects consulting costs for project development. Annual savings assocaited with avoiding costs of postage and materials, reducing manual handling and staff time, lowering claimant overpayments.				
Assumptions: Please list key assumptions you are using to estimate project development and implementation costs				

III. Expanded Business Case

A. **Project Impact.** Beyond the top business goals identified in Section II, 1) What impacts will this project have, if any, in the targeted areas below, 2) What would be the impact of not doing this project, 3) How will the project demonstrate benefits are achieved.

(1) Impact Area (Vision)	Y/N	Description of Project Impact
Will this project provide efficient and easily accessible services for all constituents?	N	he project's primary beneficiary is Connecticut employers, who will experience easily accessible services.
Will this project promote open and transparent government with the citizens of the state?	N	This project will result in employers having more efficient access to services.

Will this project establish efficient and modern business processes?	Y	SIDES and SIDES E Response utilize modern technology and efficiencies and as such, are part of the agency's technology Revitalization plan
Will this project increase accuracy and timeliness of data for policy making, service delivery and results evaluation?	Y	As stated earlier, among the benefits of this project are quicker employer response time and better quality responses, which will result in quicker first payments, more accurate decisions, and lower overpayments.

2) What is the expected impact of NOT doing this project?
Most UI agencies in the country are utilizing SIDES and SIDES E-Response. Connecticut has fallen behind with regards to modern information gathering methodologies. Without utilizing SIDES and SIDES E-Response, Connecticut will continue to make first payments later than necessary and continue to pay higher postal costs. Additionally, we will continue to dedicate staff to processes that should be automated.

(3) How will you demonstrate achievement of benefits?
The project's achievements will be based on the following metrics: • Employer response timeliness • Benefit payment timeliness • Employer response quality • Operations costs reduction (postage) • Operations costs reduction (staff time)

B. **Statutory/Regulatory Mandates.** 1) Cite and describe federal and state mandates that this project in intended to address. 2) What would be the impact of non-compliance?

(1) Statutory / Regulatory Mandates:
On November 20, 2009, President Obama signed E.O. 13520, Reducing Improper Payments, which emphasized the need to eliminate waste, fraud, and abuse in federally administered programs while protecting access to these programs by their intended beneficiaries. SIDES and SIDES E-Response cited strategies in complying with the executive order.

(2) Impact of non-compliance:
Non-Compliance of this USDOL requirement could result in a loss of funding to our state which will greatly impact or Revitalization project.

C. Primary Beneficiaries. Who will benefit from this project (citizens businesses, municipalities, other state agencies, staff in your agency, other stakeholders) and in what way?

Businesses and Third Party Administrators are the immediate beneficiary of the implementation of this project, as they will receive separation hearing and lack of work notices quicker, and will be able to respond to the notice quickly and efficiently. The ability to make more accurate decisions on a claimant's eligibility will help lower overpayments, benefiting the Ul trust fund, which helps all businesses.

Important:

- **If you have any questions or need assistance completing the form please contact Jim Hadfield or John Vittner**
- **Once you have completed the form and the** IT Capital Investment Fund Financial Spreadsheet **please e-mail them to Jim Hadfield and John Vittner**

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