FY-16 Investment Brief

**I. Project Identification**

Unemployment Insurance (UI) Revitalization

**Project Title:**

**Agency Name Agency Business Unit**

Tax, Benefits and Appeals

Connecticut Department of Labor

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**II. Project Details**

1. **Project Dates**

**Proposed Start Date** (MM/DD/YYYY) **Expected Completion Date** (MM/DD/YYYY) **Project Duration** (in months)

15

04/01/2015 07

06/30/2016

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

The Connecticut Department of Labor (CTDOL) has embarked on a business transformation initiative to modernize and improve its Unemployment Insurance (UI) Tax and Benefits systems and business processes in order to gain the flexibility, security and adaptability required to provide improved service and sustained operational efficiency.

This project will result in significant re-engineering of agency business processes and associated technology including the replacement of multiple, disparate, legacy systems required to conduct core agency functions of collection of unemployment taxes and payment of unemployment benefits. This will provide Connecticut claimants and employers with a significantly improved customer experience including streamlined processes and enhanced service options via web/mobile technology, expand CTDOL’s ability to identify and reduce unemployment fraud and result in a significant reduction in agency processing and staffing costs.

This effort has been defined as a four phase project. Phase 1 was completed March 31, 2015 and included an analysis of the current CTDOL operations model, definition of the agency’s desired future state and development of options for the implementation of a new UI Tax and Benefits system. The cost of this phase was $3.6M for which CTDOL is not requesting funding in this brief.

In Phase 2, CTDOL will join the Mississippi-Rhode Island-Maine (MRM) Consortium and begin data migration activities. This phase will run from April 2015 through June 2016. The MRM consortium was created to take the Mississippi UI Tax and Benefits system implemented in 2009 and turn it into a multi-tenant common system that can be leveraged by multiple states. The budget for this phase is $3,503,158 of which CTDOL is seeking $1,170,000 from the Capital Investment Fund.

Phases 3 and 4 include implementation of the Mississippi UI Tax and Benefits system with all necessary modifications to comply with Connecticut unemployment insurance statutes, conversion of CTDOL legacy data and legacy system retirement. These phases are projected to run from July 2016 through June 2018. While the budget for these phases is still under development, CTDOL anticipates submitting a separate request to the Capital Investment Fund for these efforts.

1. **Summary.**

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| --- |
| **Summary - Describe the high level summary of this project in plain English without technical jargon** |
| CTDOL currently serves over 99,000 employers who report wages for over 1.9 million employees. UI services are provided through a Central Office (CO), two Call Centers and several field offices. In 2014, CTDOL served 218,648 individuals filing initial benefit claims; issued 2,445,698 benefit payments; issued 18,122 lower authority appeal rulings and issued 2,127 higher authority appeal rulings.  The agency has implemented numerous systems over the years in response to demands for improved customer service. While solving immediate business needs, they have become a non-integrated collection of systems which offer limited self-service capabilities for claimants and employers, and result in time delays and error prone processing of UI benefits and taxes. In addition, the core benefit and tax systems are using aging technologies which are obsolete and unsupported.  Deficiencies in these systems become more apparent and magnified during economic downturns such as the most recent occurrence in 2008. System inflexibility required new manual processes and additional staff in response to a 450% increase in claims volume and new federally mandated programs. UI Revitalization is a four phase project that will address these and other deficiencies.  Phase 1 was completed March 31, 2015 and included an analysis of the current operations model, definition of the agency’s desired future state and development of options for the implementation of a new UI Tax and Benefits system. CTDOL hired the Information Technology Support Center (ITSC) to consult on this effort. The ITSC is a national collaboration of all state workforce agencies, the U.S. Department of Labor and private sector partners who provide advisory services to states in support of quality information systems for the administration of the unemployment insurance program.  In Phase 2, CTDOL will join the Mississippi-Rhode Island-Maine (MRM) Consortium. The MRM Consortium was created to leverage the existing Mississippi UI Tax and Benefits system and modify it to be a cloud based solution used by multiple states. In a consortium, multiple states pool their resources and reduce risk in pursuit of a single common system. Members of a consortium are still able to apply state-specific programming and configuration settings to accommodate differences in state UI laws. By joining the MRM Consortium, Connecticut will significantly reduce level of risk, save tens of millions of dollars and multiple years of project duration that would have been required to develop and implement a UI Tax and Benefits system from inception as a single state. In addition, CTDOL’s annual operating costs will be lower as we will share in the cost of system support and the cost of enhancements to maintain compliance with new federal mandates with the other three states.  Mississippi was one of the first states to successfully implement a modernized UI Tax and Benefits system back in 2009. CTDOL will analyze the current Mississippi system as well as enhancements requested by Rhode Island and Maine as the first component of Phase 2. The results of this analysis will determine the scope and cost of the changes that will be completed in Phase 3. The guiding principle in this effort will be to change business processes and/or CT UI statutes wherever possible in an effort to contain system development costs while still delivering the full value of the business case.  The second component of Phase 2 is the beginning of business transformation activities. These activities are concerned with the broad changes that will occur in CTDOL due to the implementation of a new UI Tax and Benefits system. The new system will improve the efficiency of UI operations and change the way in which staff provides and customers access UI services. Many of the UI functions will take advantage of the new technology. This will allow customer self-services to be expanded leading to many choices in how they request and receive services from CTDOL. In addition, staff will have tools and automated processes to better manage information and job related tasks. As a result, UI operations will evolve from a process-oriented focus to a customer service focus. This necessitates a review of the entire organization and may lead to modification of structures, policies, procedures, processes and job functions to reflect new work processes and use of automated tools.  The final component of Phase 2 is the beginning of data migration activities. In the consortium model, states are responsible for organizing, documenting, and cleansing their legacy data prior to the development vendor migrating it to the new system. CTDOL will hire a data migration services vendor to assist in this effort. A data migration vendor brings the expertise and analysis tools necessary to successfully assess the current environment, define quality controls, build a staging environment, design migration procedures, and ensure data quality prior to conversion.  In Phase 3, CTDOL will work with the MRM consortium vendor to design, build, test and implement the Mississippi UI Tax and Benefits system with all necessary modifications identified in Phase 2. These changes will ensure the system is compliant with all Connecticut unemployment insurance statutes. In addition, all required legacy data will be converted to the new system.  Phase 4 will include legacy system retirement.  The end result will be a system that supports CTDOL’s business needs by maximizing accessibility and convenience for claimants, employers, and staff while promoting self-service through intuitive, transparent and easy to use systems; providing a flexible infrastructure that can readily respond to future changes; and ensuring data integrity, security and financial accountability. |
| **Purpose – Describe the purpose of the project** |
| The purpose of the UI Revitalization project is to replace CTDOL’s aging legacy systems with a robust, integrated, accountable and accessible UI Tax and Benefits system that serves the needs of Connecticut’s claimants and employers in a customer-centric environment where they realize more conveniences and time savings, agency staff are highly skilled and motivated, and UI tax and benefits operations are streamlined and efficient.  This project will enable CTDOL to respond promptly and efficiently to both state and federal initiatives as well as programmatic changes with minimal delay and seamless continuation of services to all customers. It will also result in significant cost savings to the agency and employers while delivering a higher level of quality customer service to those we serve by:   * Making CTDOL more user-friendly and efficient for citizens, businesses and municipalities when transacting their business with the state, including areas related to registering employers, payment of employer taxes, filing initial unemployment insurance (UI) benefits, filing weekly claim payment request for UI benefits, as well as filing and managing appeals; * Making information about CTDOL services more available and easy to find online; * Implementing efficient, modern business practices that result in clear and identifiable cost savings and service delivery improvements; * Increasing transparency for the public and policy makers regarding costs, effectiveness and service outcomes within and across state agencies; * Reducing the costs to the state regarding its implementation, use and management of technology systems through shared services, applications and hardware across agency boundaries and by other means; * Ensuring the appropriate confidentiality, integrity and availability of CTDOL’s valuable electronic or digital data information resources in order to provide an environment in which the state's user community can safely conduct business with the agency; * Leveraging technology to ensure the agency’s service delivery remains in synch with current technological trends and products; * Sharing system operation and maintenance costs with three other states, significantly reducing Connecticut’s future costs. |
| **Importance – Describe why this project is important** |
| UI Revitalization is a mission critical effort for CTDOL for the following reasons:   * In an article dated January 26, 2011, Governor Dannel P. Malloy stated that key priorities for CTDOL are to “step up its enforcement***,*** modernize its technology and ensure that employers are playing by the rules.” Modernizing our technology through a revitalization of our UI Tax and Benefits system will provide CTDOL with the state-of-art technology necessary to accomplish these key priorities; * Advances in technology over the past several years, combined with demographic changes in CTDOL’s staff and customer base have resulted in new expectations for the service delivery model. A revitalized system will allow CTDOL to meet these expectations by providing the ability for staff and customers to provide/access the full range of CTDOL’s services in a less stressful, user-friendly environment using current technology and mobile computing; * CTDOL staffing levels currently exceed federal administrative funding allocations. In order to maintain existing services with the current federal funding, processes must be automated. In the alternative, a failure to automate may require state or other funding to subsidize federal budgetary allocations or a degradation of services will occur; * The legacy system was developed in the mid 1970’s and last overhauled for Y2K conversion. The system is reaching end-of-life (EOL) status. Major component hardware and software are no longer supported by the manufacturers. Since this last overhaul, technological advances have surpassed CTDOL’s systems capabilities. In addition, the existing population of experienced mainframe resources is at or nearing retirement age and most computer science curriculums are no longer offering courses in mainframe computing. The result is an ever shrinking resource pool for maintaining legacy systems since it is not being replenished. |
| **Outcomes – What are the expected outcomes of this project** |
| Measurable outcomes from this project will come from several sources including:   * **Improved Services to Employers and Claimants** - Services provided to customers will be improved substantially, by providing 24/7 online self-service access to the information they need, when they need it; * **User-Friendly System** – The new system will be more user-friendly with better screens, menus, and features that provide real-time help to customers and CTDOL staff. Training staff will be easier due to the shorter learning periods; * **Improved Product Quality** - UI product quality will be higher with the new revitalized system. System accuracy will increase and error rates will be reduced. For example, eligibility determinations will be more accurate and completed in a timelier manner. More accurate and timely determinations will result in reductions in appeals and improper payments; * **Higher Customer Satisfaction** - Currently, CTDOL ranks amongst the bottom of State Workforce Agencies in providing online services to customers. A higher percentage of customers will be satisfied with UI products and services as a result of UI Revitalization. Higher customer satisfaction will result from lower employer costs, faster payments to claimants, as well as more conveniences and online services for customers. * **Higher Operational Efficiency** - The implementation of a new revitalized UI Tax and Benefits system will result in substantially increased staff productivity and operational efficiency. The automation of many time-consuming, labor-intensive processes will speed up tasks while, at the same time, reducing errors introduced through manual interactions. * **Improved Morale** - Staff morale will improve when the system is easier to use, more convenient and more consistent in its user interfaces. * **Staff Retention -** Millennials in state service will be working with current technology to support streamlined processes, providing important career experience to this demographic, and creating an environment conducive to retention. * **Reduction In Manual Operations** - By re-engineering CTDOL’s business processes to capitalize on the features and functions of the new revitalized system, CTDOL will identify and eliminate inefficient manual tasks, resulting in more streamlined operations. The new system will automate many tasks previously performed manually, thus freeing the staff for more mission-oriented activities and creating opportunities for cost savings. * **Compliance With United States Department of Labor (USDOL) Performance Goals** – The new revitalized system will enable CTDOL to meet and, in many cases, to exceed all of its federal performance goals. Particularly challenging areas, such as adjudications and appeals, will be measurably improved by the implementation of the revitalized system thus eliminating the potential for federal sanctions. * **Flexible System, Easier to Maintain** - New legislation and program updates are the major sources of change. The new revitalized system will be flexible, configurable and adaptable, allowing changes to be made rapidly and effortlessly. The new system will enable CTDOL Staff to swiftly assess all operational impacts and will ensure all changes are implemented consistently. * **Interaction With Other State Agencies** – The new revitalized system will facilitate information sharing amongst state agencies and other authorized entities. Shared information will reduce fraudulent benefit awards made to individuals by state agencies (e.g. double dipping). * **Security** – The new revitalized system will provide state-of-the-art security protocols to protect Personally Identifiable Information (PII) and other data items collected. Reducing the use of paper will limit exposure of PII to non-authorized parties. Authentication of user identities will reduce opportunities to commit fraud against CTDOL. CTDOL Staff security will increase with the new revitalized system as in person interactions will be reduced thus reducing the potential for workplace violence. |
| **Approach and Success Evaluation – Provide details of how the success of the project will be evaluated** |
| The success of CTDOL’s UI Revitalization project will depend on the successful implementation of the MRM consortium UI Tax and Benefits system resulting in: streamlined customer and staff processes; integrated and high quality Benefits and Tax data; and robust reporting. CTDOL will define metrics to measure and track outcomes by various means to validate actual results against the stated business goals throughout the project lifecycle.  CTDOL will utilize the development vendor from the MRM consortium to build the new system and contract a data services vendor to prepare legacy data for conversion, project management services to oversee the program and individual work streams, and an Independent Verification and Validation (IV&V) vendor to provide quality assurance oversight and ensure traceability is maintained to the project goals and objectives.  Additionally, CTDOL will measure and track outcomes by various means to validate actual results against the stated business goals. |

1. **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** |
| --- | --- | --- | --- |
| Expand and improve self service capabilities for all claimants. | 2017/2018 | Claimants are disadvantaged by current processes requiring interaction with staff:   * Currently, less than 1% of claimants requesting UI benefits complete an initial claim application online. * System limitations preclude all claimants from reopening an existing UI benefit claims online. * The system provides limited online options for claimants to view and update their account information. * System limitations permit online appeal filing only. * Claimants must access two different systems to file for unemployment benefits and to register for employment services. | A full self-service system that will provide 24/7 capabilities for claimants:   * 90%of initial new claim applications will be completed online. The remaining 10%new claim applicants will have significantly reduced wait times for staff assistance. * All claimants will be able to reopen their UI benefit claims online. * Claimants will be able to view and update all appeal information with little to no staff intervention; schedule hearings; postpone and withdraw their appeals; add witnesses and authorized representatives as well as add electronic and paper case evidence. * Claimants will be able to register for employment services and file for unemployment benefits through one common portal eliminating the need to enter data into two different systems, which will increase employment service participation and facilitate a faster return to employment. |
| Expand and improve self service capabilities for all employers. | 2017/2018 | Employers are disadvantaged by current processes requiring interaction with staff:   * The system provides limited options for employers to view and update their account information. * System limitations preclude employers from completing a new registration via the internet. Currently, the average registration takes three (3) days to complete. * Payments received by the financial institution are processed once daily. Hard copy forms are forwarded by the financial institution, reviewed and prepped by CTDOL, forwarded to offsite vendor for data entry then returned for agency retention. * All employer terminations (8,500 per year) are processed manually by staff. * System limitations permit only online filing of an appeal. | A full self-service system will provide 24/7 capabilities for employers:   * Employers will be able to view and update all account information without staff intervention. * All new employer registrations (8,800 per year) will be completed online without staff assistance, reducing the three (3) day processing time to same-day. * Automation will eliminate the use of financial institution lock boxes, eliminate the need for vendor data entry and increase real-time processing. * 90% of employer terminations will be processed without staff intervention. * Employers will be able to view and update all appeal information with little to no staff intervention; schedule hearings; postpone and withdraw their appeals; add witnesses and authorized representatives as well as add electronic and paper case evidence. |
| Flexible system configurable by CTDOL staff to adapt to programmatic changes. | 2017/2018 | All system changes require IT assistance, precluding timely implementation of programmatic changes; a costly, inefficient process. | Quickly adapt to new legislation and program changes, more rapid implementation for customers and staff, less programming changes, reduction in improper payments. |
| One integrated and cohesive, enterprise system. | 2017/2018 | CTDOL using multiple systems which are not integrated. | Configurable single data repository, integration amongst business units, less maintenance, fewer staff, lowered costs. |
| More accurate reporting through automation. | 2017/2018 | No existing management reporting environment, IT intervention needed to create and generate reports. Legacy reporting environment is unsupported. | Robust Management reporting environment, including ad-hoc capability, empowers staff to manage their work, and satisfy state and federally mandated reporting requirements. |
| Improved security for data and PII | 2017/2018 | Multiple legacy processes requiring an array of artifacts, i.e. paper documents, electronic files, result in unsecured physical environment. | Provide physical and technical environments which are secure for both the public and CTDOL staff. |
| Improved data exchanges between business units and state and federal agencies | 2017/2018 | Limited intelligent interfaces and/or data sharing; multiple, disparate databases creating data silos. | Data sharing with state Executive and Judicial branches as well federal agencies improves data accessibility and associated outcomes for all. |
| Reduce agency operational costs through Business Process re-engineering. | 2017/2018 | * Manual processes require intervention by multiple units and staff resources.   Consequently, processing can take several days as different units address their portion of the workflow. | Automation provides opportunities for staff re-deployment for revenue generating activities, such as the collection of delinquent payments. Redeployed staff will be freed up for more mission critical activities including dispute resolution and providing optimum customer service. |
| Reduce fraudulent activities by customers. | 2017/2018 | * Existing interfaces with other state and federal agencies do not occur in real time and/or with CTDOL directly. Information returned is manually reviewed by limited number of dedicated staff who must initiate manual auditing processes. * No existing procedures to prevent fraudulent filing through fictitious employer schemes. * In 2014, CTDOL recovered approximately $6,000,000 in improperly paid benefits. | * Automation will permit direct real time interfaces which will allow dedicated staff to detect improper payments sooner. * A new revitalized enterprise system will identify and reduce unemployment fraud involving fictitious businesses and employees and false benefit claims. * A new enterprise system will initially increase monies recovered but will drop significantly over time due to improved fraud detection and prevention. |
| Prepare legacy UI data for conversion to a new system. | 2016 | The consortium development vendor shall perform data conversion from legacy UI systems to the new system as a part of the implementation for each consortium state. In the ETL Process, the Extraction is the responsibility of the States. The states lead the data cleansing activities. | Through the utilization of a data services vendor UI legacy data is organized, cleansed, and documented to the degree necessary for the consortium development vendor to perform the Extraction, Transformation, and Loading (ETL) of legacy data in to the new system |

1. **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** |
| --- | --- | --- | --- |
| Conversion of legacy UI data to new system | 2017/2018 | Each consortium state will require data conversion from its legacy systems to the new system. The consortium development vendor shall complete data conversion as a part of the new system implementation for each state. | Successful conversion of legacy UI data in to new system. Successful implementation of the new system is dependent on a successful data conversion effort. |
| Migration from mainframe centric system to a contemporary software and hardware infrastructure. | 2017/2018 | Mission critical legacy systems are stove piped, aging and costly to maintain, and inhibit change with limited technical resource skills available for future support. | Flexible, adaptable enterprise technology solution. |
| Reduce cost and improve speed and agility. | 2017/2018 | Systems have been harder to maintain as they got older because they are now more complex; integration and interoperability amongst these disparate, systems with high maintenance applications are inflexible and difficult to support. | Improved reaction times to address new development opportunities that align with shorter business cycles and demands; Enables the agency to adopt contemporary collaboration and mobile technologies (e.g., smart phones, tablets, chat, e-learning). |
| Integration of IT Services and Delivery Methodologies. | 2017/2018 | Legacy infrastructure hinders ability to deploy needed applications and services rapidly; induces risk through inconsistencies and lack of standards; and strains resources, people and processes. | Increased ability to stay synchronized and aligned with business goals; More effective Change Management; and added reliability of IT Services that drives business productivity and effectiveness. |
| Maximize data integrity and data validation. | 2017/2018 | Nonexistent integration framework that brings data together from various systems into one repository for analysis, reporting and decision support. | Expanded data environment containing normalized, efficient data structure with automated purge, archive, and cleanse routines; Implementation of robust data analysis capabilities that support Agency performance measures; Improved compliance and security. |
| Implement an Enterprise Data Warehouse. | 2017 | No central repository for CTDOL data. Existing data reporting requires numerous manual processes. | Single, enterprise data environment to be consumed by all agency business areas, inter-agency, and public as needed. |
| Reduce IT operating costs through leveraging shared services. | 2017/2018 | Legacy infrastructure is costly to maintain relative to both hardware/software and technical resources with required skill sets. | Consortium model provides shared infrastructure, development, and maintenance costs among member states. |

1. **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 | The CTDOL Revitalization initiative will make agency services more user-friendly and efficient for all citizens, businesses and municipalities when conducting their business with CTDOL including areas relating to the payment of unemployment benefits, resolution of disputed unemployment claim matters, establishing new employer accounts, updating account information and preferences in real time, electronic payments and reimbursements of unemployment taxes. Access to the revitalized system will be expanded to provide 24/7 access to agency customers. The revitalized enterprise system will:   * Make information about services and programs more available, interactive and easy to find online. * Provide claimant and employer access via mobile computing. * Implement efficient business practices that result in clear, identifiable cost savings to the agency. * Increase transparency for the public and policy makers regarding cost, effectiveness of service outcomes within and across state agencies. Robust reporting capabilities will make it easier for management to relay cost savings and concerns to decision makers. * Ensure the utmost confidentiality and integrity of all digital data, including PII and FTI. |
| Is this project aligned with business and IT goals of your agency? | Yes | The CTDOL Revitalization initiative will provide e-government services to all Connecticut citizens and employers. Creation of efficient business practices that deliver key customer services through the use of modern up-to-date technology. |
| Does this project reduce or prevent future increases to the agency’s operating budget? | Yes | The customer centric approach to the delivery model will change it from a high touch to low touch model. This will position the agency to reallocate staff to under resourced areas and reduce or eliminate the need to backfill due to normal attrition. |
| Will this project result in shared capabilities? | Yes | The enterprise solutions will provide numerous opportunities for sharing capabilities through consolidation (e.g. scheduling, reporting, communication, workflow, etc.) |
| Is this project being Co-developed through participation of multiple agencies? | No | CTDOL is the only State agency in this effort as all UI Tax and Benefits functions reside in the agency. However, efficiencies will be gained through Connecticut’s participation in the MRM Consortium. |
| Has the agency demonstrated readiness to manage project of this size and scope? | Yes | CTDOL has created a dedicated project team and has hired professional project management services to manage the project. Additionally, Connecticut will participate in the MRM Consortium Governance Board to provide quality assurance oversight and ensure traceability is maintained to the project goals and objectives. |
| Is the agency ready to deliver the business value proposed? | Yes | CTDOL is fully backing this project with executive sponsorship and oversight, has committed dedicated resources, and will contract with the MRM Consortium to build a new system that delivers the stated business value. |

1. **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?

CTDOL is committed to ensuring a successful project. State personnel and other external project resources and stakeholders are assigned to the project to provide leadership, direction, management, knowledge, skill and quality control. External stakeholders will be involved to help steer project direction, provide liaison support, and communicate project progress to interested external organizations. Also, a consultant has been hired to provide professional project management services for the duration of the effort.

CTDOL has established a dedicated Project Leadership Team (PLT) consisting of a project manager and key personnel representing all functional areas. The PLT leads the day-to-day project activities under the direction of the project manager. Additionally, the project manager reports monthly to the UI Revitalization Steering Committee (RSC). The RSC consists of allagency division heads overseen by Deputy Commissioner Dennis Murphy and is responsible for approving decisions impacting the project’s goals, scope, budget and staffing.

1. **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 project ramp-up requirements in the chart below have been started or completed. The project has been ramped up with a Project Manager and dedicated project team. Neither an RFI nor RFP is needed for CTDOL to participate in the MRM Consortium. Key ramp-up requirements:

|  |  |  |
| --- | --- | --- |
| Activity | Status | Date(s) |
| Explore Funding Options | Completed | 2012- 2014 |
| Research Other State’s Revitalization Initiatives | Completed | 2013 |
| Creation of Project Team | Completed | 10/2013 |
| Analysis of Current State Business Processes | Completed | 10/2013-02/2014 |
| Define Future State Business Processes | Completed | 02/2014-12/2014 |
| Explore System Procurement Options | Completed | 01/2015-03/2015 |
| Execute MRM Memorandum of Understanding | In-Progress | 08/2015 |

1. **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?

Significant technology and process changes are expected as a result of the project. An Operational Readiness work stream has been established within the project to evaluate the changes, perform a skills assessment of business and IT staff, evaluate organizational alignment of functions and execute the appropriate training curriculum. The training curriculum will encompass system training for both business and IT resources. This training will be developed in conjunction with the MRM Consortium and subsequently delivered via a train-the-trainer program. In addition, business process training will be provided to impacted members of the Tax and Benefits divisions.

1. **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** |
| $7,095,430 | $1,170,000 | TBD |  | TBD |
| **Explanation of Estimates** | | | | |
| * Total Development Costs reflect just Phase 1 and 2. Phase 3 and 4 costs cannot be determined with reasonable accuracy until the conclusion of Phase 2 activities. * Capital Funding Request reflects consulting costs for project management and data migration services. * Estimated Annual Operating Costs and Recurring Annual Financial Benefit cannot be determined with reasonable accuracy until the conclusion of Phase 3 activities. | | | | |
| **Assumptions: Please list key assumptions you are using to estimate project development and implementation costs** | | | | |
|  | | | | |

III. **Expanded Business Case**

1. **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? | Y | This project will provide all constituents with efficient, 24/7, self-serve access to CTDOL services. |
| Will this project promote open and transparent government with the citizens of the state? | Y | This project will result in citizens having greater access to services, account information, account history and statistical data, most of which are currently unavailable. |
| Will this project establish efficient and modern business processes? | Y | This project includes business process reengineering which will result in streamlined, efficient business processes. |
| Will this project increase accuracy and timeliness of data for policy making, service delivery and results evaluation? | Y | This project includes the consolidation of multiple, disparate data sources in to a single, enterprise data mart and the addition of data sources currently unavailable. Consistency in data definitions combined with improved data quality will increase accuracy and timeliness. The system will include ad-hoc reporting capabilities empowering agency staff. |

| 2) What is the expected impact of NOT doing this project? |
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| USDOL funding is expected to be flat-lined in the future. The ability of CTDOL to continue to function reasonably is jeopardized by the lack of system modernization and process automation. Some of the consequences of not proceeding with the UI Revitalization project are:   * **Poor Customer Service** – The current service delivery model will remain. Customers will experience longer wait times to connect with the staff, more time delays in service deliveries, errors will increase, and the quality of service will deteriorate. Employers will face higher costs, and claimants will become more frustrated with repeated interactions needed to resolve issues. As result of poor customer service, CTDOL’s public image will deteriorate. * **Higher Operating Costs** – The current service delivery model is high touch resulting in high operating costs. These costs will continue to climb due to increasing staff expenses. Also, additional staff likely will be required again to service the inevitable increase in claims during the next economic downturn. * **Back-Logged Workloads** – Manual, labor-intensive processes and the slow turnaround of tasks will cause large backlogs. System failures will increase, requiring workarounds that further complicate system maintenance operations. * **Software Obsolescence** – The existing mainframe-based system is built around a collection of Common Business-Oriented Language (COBOL) programs which become less and less maintainable over time. As changes have been made over the years, best-practice software structure has not always been preserved, complicating future maintenance. Further, the availability of programmers qualified to maintain this third generation software is increasingly in doubt as time passes. The Revitalization will be done in a contemporary language which, when properly designed and coded, will enhance and simplify the maintenance requirement. * **Failed Performance Standards** – Appeals and overpayments (including fraud and non-fraud) will increase due to poorer quality determinations, which in turn will cause the workload to increase. Performance will decline significantly in all areas due to work backlog increases and staff shortages. CTDOL can expect continued failure in meeting its performance goals without the aid of Revitalization. |

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| (3) How will you demonstrate achievement of benefits? |
| CTDOL will measure and track outcomes by various means to validate actual results against the stated business goals. |

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

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| 1. Statutory / Regulatory Mandates: |
| The program goals are intended to benefit all lines of business conducted by the agency and all governing statutes and regulations. The program will be developed with the flexibility to adapt to future statutory and regulatory changes. |

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| 1. Impact of non-compliance: |
| Non-compliance with Federal regulatory mandates result in monetary penalties and increased Federal oversight. Although there are no penalties associated with non-compliance with State statutes, the agency can experience loss of revenue in the form of unassessed penalties. |

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

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| The state’s citizens, employers, CTDOL staff, as well as state and federal agencies all benefit from the UI Revitalization project. State citizens and employers have greater, unfettered access to the programs and services provided by CTDOL. As primary stakeholders, CTDOL staff have a vested interest in creating a more agile, intuitive, user-friendly system for all Connecticut citizens and employers. State and federal agencies will benefit from the development of more transparent protocols and increased sharing of secure pertinent data. |

**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](http://www.ct.gov/opm/lib/opm/finance/itim/investment_brief_financial_spreadsheets_fy13_v4_0.xlsx) **please e-mail them to Jim Hadfield and John Vittner**

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