Project Abstract

- In 2010, the New Mexico Department of Workforce Solutions (DWS), following the results of an RFP signed a contract with Deloitte Consulting LLC, and began the process to implement a new unemployment insurance (UI) tax system.

- In November 2010, the agency signed an amendment to that contract adding scope for a new UI claims system. The combined system, known as uFACTS (Unemployment Framework for Automated Claim and Tax Services), would serve New Mexico employers and beneficiaries for all unemployment insurance needs through automation and streamlined processes.

- In 2009 and 2011, USDOL granted DWS two separate supplemental budget requests (SBR) to design, implement, and carry out the identification, collection, and management of overpayments and to participate in specific and well defined USDOL Program Integrity Initiatives.
UI Systems Modernization

UI Tax:
Project Start: Feb 2010

UI Claims:
Project Start: Nov 2010

Program Integrity

Overpayments/Program Integrity:
Project Start: Aug 2011

Phased system releases between February 2011 and December 2013
uFACTS Project Extension

Business Objectives

• Increase testing and familiarity with integration partners, other state and federal agencies, and Third Party Administrators.
• USDOL integrity and reporting requirements were mandated in 2011, increasing the scope of the project.
• Additional time for DWS to complete user acceptance activities due to the competing demands of current claims operations.
• Legislative changes have caused resource contention, DWS developers were required to make changes to Extended Benefits and Tax Rate Changes in the legacy system.
• UI Program staffing and organizational structure not properly aligned with the new improved business processes of uFACTS, working with State Personnel to modify UI Program organizational structure.
• Lessons learned from Tax UAT and training required a different approach to Claims and integrated testing procedures.
• Initial contract allowed for minimal testing and training timelines that were inadequate in the eyes of this administration.
uFACTS Project Extension

Technical Objectives

- Additional training time for DWS IT staff to learn the complementary components to the uFACTS application (Filenet, UC4, Doc1, etc.)
- Additional time for DWS IT Developers to switch from Java to .NET
- Opportunity for DWS IT to perform an April 1st soft go-live and take responsibility of the system and code – code promotion, batch runs, troubleshooting, etc.
- DWS has hired additional contractors to support agency development responsibilities, they need time to get acclimated.
- Poor DWS infrastructure components required a redesign, additional time for reconfiguration, testing, and fine tuning were needed, impact to original system components.
# uFACTS Project Extension Funding

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Amount Requested this Certification</td>
<td>$ 5,154,676</td>
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<tr>
<td>Amount Previously Certified</td>
<td>$ 40,740,350</td>
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<tr>
<td>Total Appropriated Amount (include any new funds)</td>
<td>$ 45,920,026</td>
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Extension Terms

- Project extension is not new funding
- SBR's $3.7mil Infrastructure $1.4mil Reallocation of ARRA funding
- UI Mod project is funded by ARRA, ARRA UI staff were moved to EUC funding sources in November, those savings will be reallocated.
- Negotiations with Deloitte diminished the amount to an acceptable figure and terms and conditions.
- Contract Amendment adds optional operational and maintenance hours for 2013. Lessons learned from Massachusetts.
- Execution of those hours will depend on funding, USDOL mandates to the system, and DWS IT staff's ability to comfortably and effectively continue development.
Extension Terms

- The contractor (Deloitte) will still be required by the agency to turn over a fully functioning system March 31st 2012, at which point DWS IT will own, operate, and maintain the system throughout the UAT and training schedules.

- Deloitte will still be required to make UAT error changes, DWS will be responsible for code promotion and system operation as part of the hands on training process administered by Deloitte.

- Deloitte will provide DWS operations staff Pre and Post UAT Training. Pre-UAT directed at understanding core functionality to properly test, post training directed at line staff not involved in UAT
Steps for Success

- Transition planning is the agencies greatest risk.
- Consultant from Minnesota Department of Labor
- Consultant from NASWA for USDOL integrity mandates.
- DWS IT Staff/ACRO contractors providing code reviews before acceptance.
- DWS IT Staff/Kemtah contractors performing security assessments of application to meet SSA and IRS audits
- DWS IT Staff/Oracle contractors performing database tuning
- DWS to travel to Massachusetts to participate in week of cutover and week 1 activities.
- UI Business Analyst Boot Camp March 19\textsuperscript{th}-30\textsuperscript{th}
Request

- Requesting date change from March 30th to September 1st
- Requesting release of additional funding
- Questions?