Tax Rate Redux
Agenda

- Project Purpose
- Scope
- Business Objectives
- Technical Objectives
- Budget
- Schedule
- Current Status
- Risks and Challenges
- Technical Design Approach
- Questions
The Department of Workforce Solutions (DWS) implemented the new Unemployment Insurance Application (UIA) in January 2013. The UI Application was implemented with the employer contribution rate computation based on the reserve ratio method.

In 2014, new legislation was approved to address issues pertaining to DWS’s trust fund reserve. The UI Application was modified to support alternate methodology in calculating the tax rate based on a benefit ratio method.

In March 2016, the legislation (HB 283 Section 51-1-11 NMSA 1978) was passed modifying the benefit ratio calculation to include the use of an employer’s experience history factor along with their benefit ratio to determine their contribution rate. The overall goal of this project is to implement changes to UIA required to assign a history factor to each experience-rated account. Computation and assignment of experience rates using benefit ratio and history factor are required effective the third quarter of 2016.
Scope

In Scope:
• Incorporate additional factors (Employer's Experience History Factor) in current calculation methodology, to compute Contribution Rate for employers who have been contributing throughout the preceding twenty-four months

Out of Scope:
• Limit the year-over-year increase in Total Contribution Rate (sum of employer's Contribution Rate and Excess Claims Rate) to [2%]
Business Objectives

• Compute and assign an experience rate to employer accounts using both their benefit ratio and assigned history factor (modified benefit ratio method) effective July 1, 2016
• Post revised rates to all experience rated employer accounts to reflect rates computed using the modified benefit ratio method for the third and fourth quarter of 2016
• Compute and assign experience rates for 2017 using the modified benefit ratio method
• Generate rate notices for period beginning July 1, 2016 through December 31, 2016. Generate rate notices for 2017 and after. Devise a process to allow rate notices to be mailed to an employer in a single mailing
• Generate a modified ETA 204 federal report for 2016
• Modify other business processes impacted by the assignment of more than one rate in a given calendar year, including the annual IRS FUTA Certification process and the FUTA recertification process
Technical Objectives

• Add flexibility in the system to enable determination of an employer’s computation period based on effective begin date and effective end date, to compute Contribution Rate
• Modify the system to use additional factors required to determine an employer’s reserve and history factor. Apply history factor in computation of Contribution Rate
• Add configuration to the system to allow an authorized user to select a rating method to be used to compute and assign rates for a specified period of time
• Integrate solutions identified through JAD sessions into the existing UIA system
Budget

- Initiation - $66,984
- Planning - $267,933
- Implementation - $468,882
- Closing - $0

Total: $803,799
Schedule

June
- Initiation and Planning
  - Create Project Plan and Project Charter, Analyze current state (processes/use cases)

July
- Requirements Analysis
  - Create Requirements, Conduct JRM, Create BRD

- Design
  - Conduct JAD, Update Use cases, Create Test Cases

August
- Development and Test
  - Conduct Sprints
  - Conduct SIT, Regression and UAT

September
- Go-Live

October
- Project Closing
  - Develop Post Implementation Reports

November

December

The following deliverables/milestones have been completed:
- Baseline Project Schedule
- Business and Functional Requirements
- Design documentation
- Project Management Plan (PMP)
- Communications Plan
- Rule changes were published to NM Register, posted on DWS website and sent to ABQ Journal for publication

Current Status

<table>
<thead>
<tr>
<th>Sprints</th>
<th>Application Development Status</th>
<th>Testing Status</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>92%</td>
</tr>
<tr>
<td>2</td>
<td>100%</td>
<td>54%</td>
</tr>
<tr>
<td>3</td>
<td>80%</td>
<td>18%</td>
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</tbody>
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The following deliverables/milestones are in progress:
- Training Plan and Training materials
- Test Plan
- SOPs
## Risks and Challenges

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Risk Description</th>
<th>Mitigation Strategy</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Resource Availability</td>
<td>Project will be assigned a high priority by DWS and appropriate resources will be made available to perform the work per the approved work plan.</td>
<td>On-Track</td>
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<td>2</td>
<td>Potential of uncovering existing defects that have not been previously identified</td>
<td>Perform extensive testing via several testing phases such as Unit testing, Systems Integration testing, UAT testing and Regression testing.</td>
<td>On-Track</td>
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DWS has requested TARC Waiver for the project
The System updates will be incorporated into existing UIA and be handled within the existing framework.
Existing Change Management process including code branching will be utilized for Development, Test and Implementation.
TRR PM and DWS PMO Bureau Chief have met with DoIT Consultant for IV&V and provided requested documents.
Questions