Project Startup Report

Project Name: WyCAN

Agency: Job Service North Dakota

Business Unit/Program Area: Unemployment Insurance

Project Sponsor: Darren Brostrom

Project Manager: Heather Raschke

Project Description
Plan for and build an integrated Unemployment Insurance (UI) Benefits and Tax system as part of a consortium of four states (Arizona, Wyoming, Colorado, and North Dakota). The resulting system will be a hybrid SaaS (software as a service) solution. Because it is a SaaS model, other states can later join into the solution.

Business Needs and Problems	
The problem of	high risk, high cost UI modernization projects failing while the current UI systems themselves are out-of-date and in danger of failing. Single states, particularly smaller states, are finding that monetary and staff resources are not sufficient to effectively modernize existing UI systems without a significant loss of functionality and staff efficiency.
affects	UI Claimants, Employers, Employer Representatives, US DOL, State Agency Administrators, UI Directors, UI staff, and IT staff.
The impact of which	includes: • A high cost to implement and maintain the UI systems. • Tax payer money and state agency staff resources are not used in the most efficient manner. • Claimants, employers, and employer representatives are not obtaining the best possible service. • Staff resources find it difficult to meet quality measures and adjust to large fluctuations in workload.
A successful solution would be	to form a multi-state consortium to plan for and build an integrated Unemployment Insurance (UI) Benefits and Tax system which takes into account the needs of the individual states.

Key Metrics		
Project Start Date	Project End Date	Original Baseline Budget
03/23/2012*	12/31/2016	$76,194,088.13*

Includes procurement phase and project planning for the build phase of the project.

These are federal funds. The amount includes funds assigned to the consortium as well as funds assigned specifically to North Dakota.

The baseline budget does not include management reserve funds for potential change orders.

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Objectives	
Project Objectives	Measurement Description
Business Need/Problem 1: Increase Efficiencies Objective 1.1: Increasing timeliness of first payments and registration of covered employers. Increase the percent of detected overpayments and fraud and scores in nonmonetary time lapse.	Measurement 1.1.1: After the second full quarter following implementation, increase timeliness of first payments by 5%. Measurement 1.1.2: After the second full quarter following implementation, increase timeliness of registration of covered employers by 5%. Measurement 1.1.3: After the second full quarter increase the percentage of overall detected overpayment by 5%. Measurement 1.1.4: After the second full quarter improve the percentage of nonmonetary time lapse scores by 5% each.
Business Need/Problem 1: Increase Efficiencies Objective 1.2: Reducing pending lower authority appeals and maintaining timely tax report processing, wage report entry and cash deposits.	Measurement 1.2.1: After the second full quarter following implementation, reduce pending lower authority appeals by 10% in comparison with claims. (This measurement is applicable for North Dakota only). Measurement 1.2.2: No reduction in the timeliness of tax report processing is experienced as measured after the second full quarter following implementation. Measurement 1.2.3: No reduction in the timeliness of wage report entry is experienced as measured after the second full quarter following implementation. Measurement 1.2.4: No reduction in the timeliness of cash deposits is experienced as measured following implementation.
Business Need/Problem 1: Increase Efficiencies Objective 1.3: Empower end users to maintain application parameters without information technology intervention so users have more options available.	Measurement 1.3.1: One year after implementation, a survey of power-users who have had the ability to maintain application parameters will be conducted. Survey results should indicate a 15% increase in the level of satisfaction regarding the ability to maintain application parameters.
Business Need/Problem 1: Increase Efficiencies Objective 1.4: Maximizing the internal efficiencies through the automation of manual processes for both business users and information technology staff by having fewer manual processes.	Measurement 1.4.1: Reduction in temp staffing levels by 10% within one full seasonal work load cycle after implementation. (This measurement is applicable to North Dakota, Arizona and Wyoming only.)
Business Need/Problem 1: Increase Efficiencies Objective 1.5: Removal of legacy mainframe system. The agency is no longer dependent on legacy mainframe development.	Measurement 1.5.1: Six months after full implementation of the new system, the mainframe is no longer in use.
Business Need/Problem 2: Increase Customer Satisfaction Objective 2.1: Increase secure customer access to their account information that minimizes follow-up inquiries and visits.	Measurement 2.1.1: Reduce the percentage of benefit customer follow-up inquiries by 5% as a measured percentage of overall inquiry call volume after the second full quarter.
Business Need/Problem 2: Increase	Measurement 2.2.1: Reduce the percentage of original appeal

Customer Satisfaction <u>Objective 2.2:</u> Reducing appeals.	determinations that are inaccurate by 5% measured as a percentage of overall volume after the second full quarter following implementation.
Business Need/Problem 3: Performance Measures and other Federal Requirements <u>Objective 3.1:</u> Increasing employee accuracy and performance measures by leading them to correct decisions through identified workflows and activities.	Measurement 3.1.1: Benefits Timeliness & Quality (BTQ) scores increase by 5% after the second full quarter following implementation.
Business Need/Problem 3: Performance Measures and other Federal Requirements <u>Objective 3.2:</u> Achieving or exceeding federal performance measures.	Measurement 3.2.1: All federal performance measures, as defined at the point of the Foundation Elements phase, are met by the 2nd full reporting year after implementation.
Business Need/Problem 4: Increase Trust Fund Integrity <u>Objective 4.1:</u> Reducing established administrative overpayments.	Measurement 4.1.1: After the first full reporting year, reduce the percentage of established administrative overpayments by 5% as measured by a percentage of overall volume.

Cost/Benefit Analysis

The table below represents the funding (with funding sources) for the project. (Note: funding for Wyoming, Colorado, and Arizona individual states expenses are not shown.)

	2009 SBR	2011 SBR	2013 SBR	2014 SBR	Reed Act	In-Kind	Total
Consortium	$4,440,543.00	$58,100,000.00			$5,042,390.00		$67,582,933.00
North Dakota		$4,283,505.00	$3,081,000.00	$533,301.17	$1,500,000.00	$4,374,134.00	$13,771,940.17

Cost / Benefit
JSND currently uses around 13% of its base UI funding to host and maintain the system. The vendor will charge 8% of the base funding + 1% of the above base funding to host and maintain the system. However, JSND will still have IT staff charges for maintaining parts of the system (such as interfaces), performing BA work, etc.

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Key Constraints or Risks

Below are the key *constraints* associated with the project.

Funding:

Project funds provided by the Department of Labor for the vendor contract under UIPL 26-11 must be obligated by September 30, 2013 and expended by December 30, 2016 which includes all possible grant extensions.

Resources:

Resources available to work on the project are limited.

Below are the key *risks* associated with the project.

Resource Availability:

If States do not have enough experienced resources dedicated to the WyCAN project, and the project does not have shared resources, the chance of subject matter experts missing key information increase and their valuable input can be missed.

Overly Aggressive Schedule:

A Federally imposed funding expenditure date of December 2016 has resulted in a very aggressive schedule. If project does not complete by December 2016, the unspent funding will no longer be available.

Unclear and Changing Requirements:

In some areas of the project, requirements still need to be defined (i.e. imaging, IRS Security requirements, FileNet) and as they are defined the project may not be able to accommodate these requirements. In other areas where requirements are defined, the project recognizes that these requirements may change (i.e., legislative changes, printer specs, interface).

Project Resources in 5 States:

With the project resources being located in 5 different states, the project has the risk that staff would be unable to effectively participate for various reasons, to include weather or cost of travel. If staff is unable to effectively participate, this could impact the quality of the requirements and design.

Deployment and OCM:

There is a significant Organization Change Management effort that is largely the states responsibility. There is a lack of documented plans (i.e. Communication Plan, plan for changing policy and procedures, plan for changing staff roles and responsibilities) on how the states will achieve this Organization Change Management which is necessary for the Project Success.

Unknown legacy data quality:

There is a risk of incorrect data being transferred to the iGOVERN system due to aging legacy systems not having edits to ensure quality data is transferred to the iGOVERN system. The States may not have the time and resources necessary to do a thorough data cleansing.

Loss of Project Sponsorship:

Changing degree of sponsorship at the state or federal levels could impact the high level executive buy in and funding the project needs to succeed.