



## **SIGNIFICANT ISSUES**

The WSD UI tax and claims system was recently upgraded; the modernization was completed January 2013. The new system as designed and implemented utilizes what is known as a batch processing system as opposed to a real time system; consequently, the system requires periods of downtime for batch processes, such as data updates, to be completed on a regular basis. Such systems often require access to data in a consistent state, free from online updates, until the batch processing is complete. Regarding WSD, a variety of data updates and transactions must be completed regularly; these include, but are not limited to, interactions with the employer community and with other states in the instance of interstate wage claims. The functionality directives described in HB 240 would require substantial and costly changes to the system. WSD notes HB 240 would severely impact the department's ability to ensure timely and accurate benefit payment to over 16,000 claimants and would jeopardize the accuracy and integrity of mandatory reporting to the United States Department of Labor.

Legislation passed in the 2014 legislative session directs DoIT to develop a one-stop business portal and specifically requires the portal to provide access to workers' compensation information, including requirements and filing and renewal deadlines among a great deal of other requirements. Designing the one-stop business portal is a substantial undertaking for DoIT and for the other state agencies whose information or business processes must be taken into consideration. Design and implementation of the one-stop business portal is very much in the early stages and it is currently unknown how the portal will function or what its requirements will be; consequently, it appears premature to require what are likely substantial and costly changes to the existing and newly-implemented WSD tax and claims system as described in this bill.

The WSD unemployment insurance tax and claims system is currently available Sunday through Friday from 4:00am to 7:00pm; however, the department is planning to provide expanded hours of operation beginning in March 2015. WSD notes it recognizes the need to have the online Unemployment Insurance Tax and Claims system availability extended to accommodate its customers. The department is currently exploring options to extend operational hours without requiring significant investment in architectural changes in the short term. The team has reduced processing time of the batch processes by 75 percent, which could enable the extension in the work day availability, pending additional staffing.

Longer term and in conjunction with its continual improvement initiatives, WSD expects to optimize the batch processing and increase the hours of availability of its online services based on its capacity to manage the change and ongoing operational support requirements

## **PERFORMANCE IMPLICATIONS**

WSD notes given the timeliness requirements for specific UI processes, staffing may need to be adjusted to ensure these standards are maintained. For example, as a result of the requirements in this bill, 10 day periods starting from initial actions could be initiated at any point in time and even on weekends. If staff only works standard hours, the time to resolve or take action would be reduced. Given current workloads and US DOL Federal requirements – extended work hours for certain functional staff may be required increasing the overall cost of operations and potentially require the addition of FTE or contract staff.

**DETAILED FISCAL IMPACT ANALYSIS**

DWS provided the following detailed cost analysis for implementing the system changes required in HB 240.

<b>Staffing for Effort</b>			
<b>Labor Category</b>	<b>Rate</b>	<b>Hours</b>	<b>4 month cost</b>
Sr. Policy /SME (2)	\$103.50	1920	\$198,720.00
Sr. Analyst (2)	\$70.00	1920	\$134,400.00
Business Analyst/Testers (10)	\$30.00	9600	\$288,000.00
Developers (5)	\$100.00	4800	\$480,000.00
Database Architect (1)	\$135.00	960	\$129,600.00
Network Administrator (2)	\$45.00	1920	\$86,400.00
Technician (1)	\$20.00	960	\$19,200.00
			<b>\$1,336,320.00</b>
<b>Hardware/Infrastructure</b>			
· 10 ESX host to create VM farm of 250 - \$150,000			\$ 150,000.00
· Power Requirements – PDU/APC BU - \$110,000			\$ 110,000.00
· DB – IXO system - \$250,000			\$ 250,000.00
· UC4 – Config \$50,000			\$ 50,000.00
· Enterprise FTP Servers - \$50,000			\$ 50,000.00
· FileNet instance \$400,000k			\$ 400,000.00
· Network Component \$210,000			\$ 210,000.00
· Configuration project - \$250,000k			\$ 250,000.00
Development Desktops			\$ 46,000.00
* Exadata Expansion/Licensing			\$250,000
			<b>\$ 1,766,000.00</b>
Facilities/ Lease Space			\$75,000
<b>Total 4 month Effort</b>			<b>\$3,177,320.00</b>

<b>Ongoing Costs:</b>			
Technician On Call (4)	\$20	10400	\$208,000
HW/SW Licensing Ongoing			\$525,000
<b>Estimated ongoing costs</b>			<b>\$733,000</b>

CEB/aml