

Optional Strategy (Section 7) Examples

The types of activities for which Focus Area funding may be requested are provided below. Please note that states submitting more than one proposal under Section 7 of this UIPL (Optional Strategies) should rank the proposals by priority since ETA may not fund all proposals.

Program Performance

- ICON Modernization including implementing Data Exchange Standardization requirements: States may request funding to fully modernize the ICON applications including implementing the Data Exchange Standardization requirements published by the Department.

On February 19, 2014, the Department published a final rule <http://www.gpo.gov/fdsys/pkg/FR-2014-02-19/html/2014-03496.htm> to designate in regulation data exchange standards for UI administration, as required by amendments to Title IX of the Social Security Act made by the Middle Class Tax Relief and Job Creation Act of 2012. These regulations established eXtensible Markup Language (XML) as the data exchange standards for three categories of information: real-time applications on the ICON; the SIDES; and implementation of the standards identified for ICON and SIDES in major information technology (IT) modernization projects to upgrade UI Benefits and Tax systems by states.

- ICON Enhancements: States may request funding to improve the integrity of their data exchanges through the UI-ICON Hub and ensure that the data exchanges meet the record format and content guidelines established by the UI Interstate Benefits Subcommittee. The activities may include conducting an IV & V, programming to improve integrity of the data exchange or addressing issues identified from the IV & V, testing, and implementation.
- Combined Wage Claim (CWC) 02-12 Application: States may request funding to implement the guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Change 1. The Trade Adjustment Assistance Extension Act (TAAEA) of 2011 and implementing guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Change 1 necessitated a new communication process between the paying state and the transferring state involved in a CWC to ensure the paying state's determination of non-charging is promptly communicated to the transferring state and the employer's account is appropriately charged. The effective date of this requirement was October 21, 2013. In a collaborative effort involving personnel from the Department, NASWA, Xerox UI-ICON, and state volunteers, a workgroup was formed to develop an application (CWC 02-12) to address the TAAEA provision on non-charging. As of October 21, 2013, the CWC 02-12 application became fully operational. States are required to meet the provisions of TAAEA and use the CWC 02-12 application to communicate with each other.
- Reemployment Connections: States may request funds to establish linkages across state IT systems supporting both UI and workforce services (e.g. UI benefits system, state job bank,

and/or case management system) in order to more effectively link UI claimants to reemployment services – delivered either electronically or through American Job Centers. States are also encouraged to establish a UI feedback loop when claimants are referred to reemployment services to ensure the claimant maintains UI eligibility. States may consider adoption of two new reemployment information technology tools developed collaboratively by the ITSC and pilot states that support integrated registration for UI and workforce programs and creates a common front door for job seekers. The Integrated Workforce Registration and/or IWR tool and Workforce Integration Profile Page provide an interactive hub for reemployment service delivery and way to push available jobs to claimants throughout the service delivery life cycle. If states need more information about these tools, please contact Mr. Subri Raman (raman.subri@dol.gov), Chief, Division of Performance Management, in the National Office.

- UI Accessibility: States may request funding to help comply with statutory and regulatory obligations to ensure equal, effective and meaningful access to the UI program and its benefits, services, and information. In delivering UI services, states must ensure that information about UI initial claims filing, Benefits Rights Information (BRI), UI continued weekly/biweekly claims filing, fact-finding and adjudication/determinations, appeals hearings/decisions as well as referrals and linkages to reemployment services are accessible regardless of age, disability, race, national origin, or English language ability. SBR funding is available to make automated system enhancements and/or to provide tools and training to staff to accomplish accessibility compliance.
- UI Reporting Improvements, including Data Validation (DV):
 - States may request funding to improve the data quality of UI federal reports submitted to the Department. The proposal must clearly explain the deficiencies with the existing required report(s) submission that will be addressed by implementing this project.
 - States may request funding for IT support of DV efforts such as developing programs to create/revise the DV population datasets, modifying computer systems to add new fields needed for DV, ensuring that state computer programs are extracting the correct transactions for DV population datasets, correcting errors in data validation extract files, and ensuring that the corrections pass DV guidelines.
- Business Process Analysis (BPA) and/or Re-engineering: States may request funds to conduct an administrative and/or business process review to identify bottlenecks and the causes of poor performance in first payment timeliness and/or appeals timeliness, if supplemental funding has not been provided in the last two calendar years to conduct one. States that received supplemental funding for a program performance BPA in the last two calendar years may request funding to implement at least one recommendation that resulted from those BPAs.

The review should be rigorous and thorough and should extend to those parts of UI program operations that ultimately affect first payment or appeals timeliness, such as how to manage

nonmonetary adjudications. The outcome of this review should be clear recommendations that may inform additional corrective action steps. Examples of the use of funds may include: (a) Purchase, installation, or training on a software package to that supports the administrative and/or business process review; and (b) Engaging a contractor for expert assistance or a subject matter expert to support business process analysis and re-engineering, and develop recommendations for use in an action plan.

- UI IT Contingency Plan: States may request funding to develop or update their UI IT Contingency Plan using the guidelines provided in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-34. Upon completion of the plan, SWAs must have an IV&V conducted of their UI IT Contingency Plan based on guidelines provided in the NIST SP 800-34. States must submit a copy of the IV&V certification report on their contingency plan to their respective Regional Office.
- UI IT Security: States may request funding to address the UI IT security weaknesses that have been identified by recent IT security audits (performed within the last three years from the date of this UIPL) or by a SWA's UI IT security self-assessment that complies with the NIST IT security guidelines found in NIST SP 800-53, *Recommended Security Controls for Federal Information Systems* and NIST SP 800-53A, *Guide for Assessing the Security Controls in Federal Information Systems*.
- Modernized IT System Post-Implementation Validation: States that have modernized their UI IT System in the last two years, and have subsequently made enhancements to the UI system to meet original business requirements which were not successfully delivered by the vendor as part of the initial implementation, may request funding to conduct:
 - An IV & V to ensure: (a) data collected by the new system meets their data requirements and definitions; and (b) data collected by the new system meets federal reporting and data validation requirements. The IV & V should include a written report identifying data-related issues, deficiencies and limitations; and/or
 - User Acceptance Testing to validate that the enhancements made to the UI IT system now successfully meet the original business requirements. The proposals submitted should include a report from an IV & V previously conducted, or clearly describe the business requirements that were not met with the initial implementation of the new system.

Program Integrity

- Cross-Functional Integrity Task Force: States may request funding for a dedicated senior staff person devoted solely to leading the state's improper payment strategies and coordinating its Cross-Functional Integrity Task Force.
- Work Search: States may request funding for dedicated staff to perform work search audits and/or funding to implement an online work search record. For an example of an implementation of an online work search record, please refer to TEN No. 12-13.

- Internet Protocol (IP) Address Blocking: States may request funding to implement software for use in matching and blocking foreign IP addresses during incoming claim or weekly certification requests. Please refer to this summary for a description of a similar strategy implemented by the state of New York at: <http://www.dol.gov/dol/maps/pdf/20120127NewYork.pdf>.
- Treasury Offset Program (TOP) implementation:
 - States that have not previously done so may request funding to implement TOP for the recovery of fraudulent and certain non-fraudulent overpayments; or
 - States that have implemented, or previously received funding to implement, TOP may request funding to implement TOP for recovery of employer taxes.
- SIDES Determination & Decision Exchange: States may request funding to implement this format to help UI agencies, employers, and TPAs exchange more comprehensive information and speed up the process for issuing a proper decision on whether or not a claimant is entitled to benefits. A more timely data exchange will enable employers to protest/appeal a case more promptly.
- Business Process Analysis for Improper Payments: States may request funding to conduct a BPA of their benefit systems to identify areas where changes in business processes could lead to a reduction in the improper payment rate and overall improvement in program integrity, if one has not been performed in the last two calendar years. States that received supplemental funding for an integrity BPA in the last two calendar years may request funding to implement at least one recommendation that resulted from those BPAs.
- Data Analytics and Predictive Modeling: States may request funding to implement a data analytics and predictive modeling tool for use in the detection and prevention of fraudulent UI claims.
- Other Cross-Matches: States may request funding to implement cross-matching for the prevention of improper payments before they occur, including the implementation of incarceration cross-matching.
- Other UI IT Automation or Performance Improvements related to program integrity, including overpayment recovery activities.