

# *ITSC*

## Information Technology Support Center

State of Maryland ♦ Mitretek Systems ♦ ACS Commercial Solutions ♦ University of Maryland

Sponsored by the U.S. Department of Labor

*Winner of Case Study Award - International Summit on Service to the Citizen  
Winner of Showcase Award - Joint Employment and Training Technology Conference  
Winner of AFEI's Industry Award for Excellence in Enterprise Integration*

## PROJECT TASK ORDER

FY0406 UI Usage of New Hire Data

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Sponsoring Organization:

USDOL

Version: 3.0

Date: 23 January 2004

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## 1 INTRODUCTION

This Project Task Order (PTO) describes a project to develop a study that describes what Unemployment Insurance (UI) New Hire information is available to state UI agencies from United States Health and Human Services (USHHS) in support of UI activities, and suggests options for how this data may best be effectively used.

### (a) Summary

An important component of UI processing is detecting improper payments. Using the data from the New Hire process can provide a more efficient and effective means for conducting these activities. The output of this project will be a paper describing the data available, and describe options for how this data may be used to improve the early detection of improper payments, including any issues or problems, and a high level plan for possible solutions.

### (b) Background

New Hire data is going to be made available to state UI agencies by USHHS. At this time, the state UI agencies are unclear as to what the content of this data is, its form, and the best and most efficient ways to use this data in their UI processing systems.

### (c) Business Need

The recently introduced federal legislation requiring employers to report newly hired employees to a state agency has provided a productive new source of recent data to support the identification of likely sources of UI benefits overpayments. However, once the UI agency has received the new hire data and performed a cross-match with benefits payment data for the same period, which identifies likely overpayments, the UI agency then must obtain from each employer a weekly breakdown of wages paid to the claimant, along with the first day of work (in some states). This results in receipt of thousands of documents in the mail from employers that the UI agency must open and then key into their computer system. A comparison of wages received and UI benefits paid for each week is then made to determine if there is an overpayment.

UI agencies say they do not have the staff to follow up all the potential overpayments from the New Hire cross-match. UI agency investigations staff can generate as much as a 10:1 return over their salary costs. Increasing their productivity would result in a much higher recovery rate for overpayments.

### (d) Benefits

Through the study to establish what data is available, and to determine how this data may be used, state UI agencies will be able to gain sufficient knowledge to be able select the best usage of the available data.

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## **(e) Audience**

The intended audience includes UI managers, Benefits Payment Control (BPC) supervisors, and information technology staff.

## **(f) Risk Assessment**

The *UI Usage of New Hire Data* project represents a low cost risk. The budget, as approved by the Information Technology Support Center (ITSC) Steering Committee, will determine the level of staffing for the project. There are no variable costs.

The *UI Usage of New Hire Data* project represents a low schedule risk. The fiscal year determines the amount of time available for the project.

The *UI Usage of New Hire Data* project represents a moderate technical risk. As the budget and staffing for the project are fixed, the technical risk is that the project will not be able to fully investigate and develop a high quality report that proposes concrete and actionable solutions for UI agencies dealing with New Hire data. This risk is mitigated by our plan to involve USDOL and partner state UI agency representatives to provide requirements and feedback on the papers contents during writing.

## **(g) Definitions and Acronyms**

| <u>Term</u> | <u>Definition</u>                       |
|-------------|---|
| ITSC        | Information Technology Support Center   |
| PTO         | Project Task Order                      |
| UI          | Unemployment Insurance                  |
| USDOL       | United States Department of Labor       |
| USHHS/HHS   | United States Health and Human Services |

## **(h) Reference Material**

*A System Modernization Architecture for State Workforce Agency (SWA) Applications*, Information Technology Support Center, March 2000.

*UI Fraud Detection Crossmatch Systems*, Information Technology Support Center, FY03, BN-03, September 2003

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## 2 STATEMENT OF WORK

### (a) Task Descriptions

The ITSC will build on previous work and knowledge of state UI agency activities to conduct a study of New Hire data available in the HSS New Hire Database. The ITSC will document what this data is and suggest ways how this data may be used to the benefit of state UI agencies. This project will consist of a single task.

#### Task 1. Study of HHS New Hire Database

The ITSC will produce a paper describing the availability and potential uses of USHHS New Hire data for state UI agencies. The contents, format, and proposed availability of the data will be identified. Working with at least one partner state and USDOL, the needs of the state UI agencies will be determined. Any problems or issues with the content of the data and its availability to the state UI agencies will be identified, and a proposal for a solution to how the data could be used to the benefit of the state UI agencies will be made.

### (b) Deliverables

| <u>Task</u> | <u>Deliverable</u>             | <u>Product Type</u> | <u>Audience</u>          |
|-------------|--------------------------------|---------------------|--------------------------|
| 1.10        | Study of HHS New Hire Database | Document            | Management/<br>Technical |

### (c) Dependencies

None

### (d) Schedule

| Task Name   | Start             | Finish            | Work           | Duration       | Predecessors | Priority   | Status    | Resource Names      | Gtr 2, 2004 |     |     |     |     |     |
|---|-------------------|-------------------|----------------|----------------|--------------|------------|-----------|---------------------|-------------|-----|-----|-----|-----|-----|
|   |                   |                   |                |                |              |            |           |                     | Apr         | May | Jun | Jul | Aug | Sep |
| <b>1 Internet Reporting of New Hire Information for Employers</b> | <b>Mon 5/3/04</b> | <b>Mon 9/6/04</b> | <b>78 days</b> | <b>91 days</b> |              | <b>500</b> | <b>0%</b> |                     |             |     |     |     |     |     |
| 1.1 Plan Project  | Mon 5/3/04        | Fri 5/14/04       | 5 days         | 10 days        |              | 500        | 0%        | Project Leader[50%] |             |     |     |     |     |     |
| 1.2 Review Project (Initial)                                      | Mon 5/17/04       | Mon 5/17/04       | 1 day          | 1 day          | 2            | 600        | 0%        | Project Leader      |             |     |     |     |     |     |
| 1.3 Project Review (Initial)                                      | Mon 5/17/04       | Mon 5/17/04       | 0 days         | 0 days         | 3            | 600        | 0%        |                     |             |     |     |     |     |     |
| 1.4 Develop Draft Document  | Mon 5/17/04       | Fri 7/9/04        | 40 days        | 40 days        | 2            | 500        | 0%        | Developer           |             |     |     |     |     |     |
| 1.5 Review Project (Midpoint)                                     | Mon 7/12/04       | Mon 7/12/04       | 1 day          | 1 day          | 4,5          | 500        | 0%        | Project Leader      |             |     |     |     |     |     |
| 1.6 Project Review (Midpoint)                                     | Mon 7/12/04       | Mon 7/12/04       | 0 days         | 0 days         | 6            | 500        | 0%        |                     |             |     |     |     |     |     |
| 1.7 Develop Final Document  | Mon 7/12/04       | Fri 9/3/04        | 30 days        | 40 days        | 5            | 500        | 0%        | Developer[75%]      |             |     |     |     |     |     |
| 1.8 Review Project (Final)  | Mon 9/6/04        | Mon 9/6/04        | 1 day          | 1 day          | 6,7          | 500        | 0%        | Project Leader      |             |     |     |     |     |     |
| 1.9 Project Review (Final)  | Mon 9/6/04        | Mon 9/6/04        | 0 days         | 0 days         | 9            | 500        | 0%        |                     |             |     |     |     |     |     |
| 1.10 Deliver Document   | Mon 9/6/04        | Mon 9/6/04        | 0 days         | 0 days         | 10           | 500        | 0%        |                     |             |     |     |     |     |     |

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## 3 PROJECT ORGANIZATION

This section defines the project management approach for the project.

### (a) Project Responsibilities

| <u>Name</u> | <u>Title</u>    | <u>Telephone Number</u> | <u>Email Address</u> |
|-------------|-----------------|-------------------------|----------------------|
| John Yost   | Program Manager | 301-982-1576            | jyost@itsc.org       |

### (b) Staffing Plan

| <u>Task</u>   | <u>Technical Staff</u> | <u>Support Staff</u> |
|---------------|------------------------|----------------------|
| 1             | 628                    | 63                   |
| <b>Totals</b> | <b>628</b>             | <b>63</b>            |

### (c) Resource Requirements

Partner agency participants for risk reduction.

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ITSC Executive Director

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State of Maryland Grant Manager