Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.8, 02/01/2022)

1.1   General Information

Agency or State entity Name: 7100 - Employment Development Department

> If Agency/State entity is not in the list, enter here with the organization code.

Proposal Name and Acronym: EDDNext Project (Previously Re-imaging Benefit Systems Modernization) – Core Modernization

The Core Modernization is part of a larger overall effort to improve EDD systems, operations and services. The Core focuses is on modernization of the systems that administer the Unemployment Insurance (UI), Disability Insurance (DI), and Paid Family leave (PFL) programs and associated document management.

Proposal Description: The EDDNext Project will modernize the EDD's benefit systems (Unemployment Insurance, Disability Insurance, and Paid Family Leave) by implementing an interoperable, modular suite of solutions. The modernized ecosystem will provide customers with a portal into the EDD's services to deliver a transparent, customer-centric business framework that has the flexibility to adapt to changes and complies with Federal and State mandates. The EDDNext Project aligns with the recommendations in the EDD Strike Team Assessments and Recommendations document, focusing on these key objectives:

Enhanced customer-centric service design - Boosting multilingual service and support across channels such as mobile, social media, self-service website, live chat, and others.
Increase self-service opportunities - Simplifying the claims intake process by expanding self-service functionality across all programs.
Mitigate fraud - Protecting claimant identity and reducing risk with new claims processing and technology-driven solutions.
Improved consistent integrated program delivery - Extending data analytics to deliver more useful claims processing information and enhanced employee training.
Greater adaptability for faster program changes - Delivering an integrated benefit system that can be upgraded and modified more quickly to meet system demands and implement entirely new benefit programs such as the emergency federal Pandemic Unemployment Assistance program passed during the pandemic.

Proposed Project Execution Start Date: 7/1/2022

S1BA Version Number: Version 1

Department of Technology Project Number (0000-000): 7100-222

1.2　Submittal Information

1. **Contact Information**

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Submission Type: New Submission

Submission Date: <mark>TBD</mark>

    If Withdraw, select Reason: Choose an item.

        If Other, specify reason here: Click or tap here to enter text.

    Sections Changed, if an update or resubmission: (List all sections changed.)

    All sections.

    Summary of Changes: (Summarize updates made.)

    Click or tap here to enter text.

Attach Project Approval Executive Transmittal to your email submission.

Attach Stage 1 Project Reportability Assessment to your email submission.

1.3　Business Sponsorship

1. **Executive Sponsor**

    Title: Director

    Name: Nancy Farias

    Executive Project Champion

    Title: Chief Deputy Director

    Name: Amy Faulkner

    Project Sponsors

    Title: Deputy Director, Unemployment Insurance Branch

Name: Grecia Stanton

Business Program Area: Unemployment Insurance Branch

Title: Deputy Director, Disability Insurance Branch

Name: Ronald Washington

Business Program Area: Disability Insurance Branch

Title: Deputy Director, Tax Branch

Name: Pamela Geitner

Business Program Area: Tax Branch

Title: Deputy Director, Information Technology Branch

Name: Rita Gass

Business Program Area: Information Technology Branch

Title: Deputy Director, Legislative Affairs Branch

Name: Kevin Matulich

Business Program Area: Legislative Affairs Branch

1.4   Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the department needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

1. **Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)**

    Department: Yes

    Other Departments/State Entities: Yes

    Public: Yes

    Federal Entities: Yes

    Governor's Office: Yes

    Legislature: Yes

    Media: Yes

    Local Entities: No

    Special Interest Groups: Yes

    Other: Yes

2. **Describe how each group marked 'Yes' will be involved in the planning process.**

The project team is engaging participation from each of the impacted groups in the planning and implementation of the project.

EDD

UIB, DIB, PFL and Tax Branch

UIB, DIB, PFL and Tax, Deputy Directors serve as Project Sponsors and members of the Executive Steering Committee. Deputy Directors and designees provide input in project planning activities. Project sponsors provide input into project planning activities, including: project charter development, project scope, organization chart, and customer journey mapping.

UIB, DIB, PFL and Tax, subject matter experts (SMEs) are assigned to the Business Process Re-engineering (BPR) effort, which is a large input into the EDDNEXT's project planning process.

UIB, DIB, PFL and Tax, subject matter experts (SMEs) are assigned for planning efforts, including developing the product backlog, epics, and user stories.

ITB Branches

ITB Deputy Directors serve as Project Sponsors and members of the Executive Steering Committee. Deputy Directors and designees provide input in project planning activities. ITB subject matter experts (SMEs) are assigned to the Business Process Re-engineering (BPR) effort, which is a large input into the EDDNext's project planning process. ITB subject matter experts (SMEs) are assigned for planning efforts, including developing the product backlog, epics, and user stories.

ITB's enterprise architect (EA) will be engaged to assist with conceptual discovery and analysis, gap analysis, identification of business capabilities required for the business program(s), technical road mapping, reducing technical diversity and strategic alignment analysis and recommendations as well as coordinating a common understanding and agreement of all these things to stakeholders.

ISO

The EDD Information Security Office (ISO) plays a critical role in ensuring the Department's information assets, resources, and facilities are properly protected. The EDD ISO will be a critical partner in planning and technology solution selection for EDDNext. ISO will be engaged in planning, requirements and design decisions.

Legislative Affairs Branch

Legislative Affairs Branch serves as a Project Sponsors and member of the Executive Steering Committee. They will be engaged in planning activities involving the legislature.

Public Affairs Branch (PAB)

PAB provides outreach, marketing, communication, and training services to promote the use and understanding of the EDD's programs and services in support of the strategic goals and objectives of the Department including governance over public content. Deputy Director and designees provide input into the planning and development efforts with a primary focus towards the customer

experience. Customer Experience team will ensure customer needs, usability and accessibility are all addressed in the design and development of a customer-centric portal by providing Governance to the content decisions and conducting usability testing throughout the process in concert with IT's Usability Experience team.

PAB will also be engaged in planning and response to the media, as well as development of messaging, marketing, and public educational materials and information. PAB customer experience subject matter experts (SMEs) are assigned for planning efforts, including developing the product backlog, epics, and user stories.

Administration Branch

The Administration Branch serves as an operational arm of the Director to implement administrative actions consistent with executive level direction, including budget, personnel, facilities, and mailing/printing services. The Administration Branch provides expert advice in project planning activities such as Budget Change Proposal (BCP) development, Financial Analysis Worksheets (FAW), human resources/staff hiring, procurement. The branch determines funding requirements, allocates resources, monitors program expenditures on the project, and also represents EDD on budget hearing. The Administration Branch operates the Document Management Division (DMD) which includes mailing/printing services, mail opening, sorting, document imaging, data capture and transmission, document storage and retrieval, cashiering, and fund allocation services.

Other Agencies/State Entities

Labor and Workforce Development Agency (LWDA)

LWDA is an executive branch agency that oversees the Employment Development Department. LWDA provides oversight and advisory guidance on the project. LWDA provides feedback in the customer journey that is essential to planning process.

Governor's Office

The EDDNEXT project's Executive Project Sponsor and Project Sponsors engage the Governor's Office in strategic planning discussions and decisions.

Legislature

The Legislature, with the support of the Legislative Analyst's Office, reviews and approves BCP funding from planning and throughout the EDDNEXT project lifecycle.

California Department of Technology (CDT)

CDT will provide Project Approval Oversight (PAO) and planning guidance to the EDDNEXT project. CDT will also provide State Technology Procurement Services to the project.

Department of Finance (DOF)

DOF is oversight for the EDDNext project, reviewing and approving Budget Change Proposals (BCP).

External Entities

The EDD has determined the following external entities may be impacted by this proposal. However, during this phase, none of these entities have been identified as key stakeholders as they will not be tasked with making key decisions for this effort. The EDD recognizes that specific requirements may be developed during the Stage 2 Alternative Analysis (S2AA) and/or Stage 3 Solution Development for interfaces to and from the various entities/systems. As this proposal moves forward through the various Project Approval Lifecycle (PAL) stages, the EDD will re-evaluate the Key External Stakeholders and make any necessary modifications to the Stage 1 Business Analysis (S1BA) as needed. Currently, the EDD does not anticipate any of the entities identified below to have decision making authority during the project lifecycle nor to be included in the steering committee meetings. The below external entities will be consulted on design and feature options that are pertinent to their group during the planning process:

Bank of America

A private, external entity that has a contract with the EDD to provide authorized UI, DI, and PFL payment information, payee information, and payments to our customers via bank debit cards.

California Counties

There are 58 individual counties within the state of California. Each of these counties, and specifically their welfare departments, has access to limited information in regards to UI claim data. The following information is available for viewing for each name and social security number (SSN):

- Active UI claims along with the effective date and weekly benefit amount (WBA).
- Potential UI WBA when no active UI claim exists.
- A disqualification indicator for active UI claims as well as for potential UI claims.
- Error indicators when the name and SSN do not match or if there are earnings reported for multiple names under the same SSN.

California Department of Child Support Services

Initiated at the county level, child support intercept requests are received by the EDD's UIB and DIB that offset a claimant's child support obligations from their weekly UI, DI and PFL benefits. This money is transmitted to the California Department of Child Support Services and subsequently disbursed to fulfill the claimant's court-ordered obligations.

California Department of Consumer Affairs

The Department of Consumer Affairs (DCA) issues licenses in more than 250 business and professional categories; including doctors, dentists, contractors, cosmetologists, and automotive repair facilities. The DCA provides the medical providers license status to the EDD.

California Department of Health Care Services

Within the California Department of Health Care Services (DHCS), is the online Medi-Cal Eligibility Data System. This system is used to verify an individual's eligibility for Medi-Cal and uses information from the EDD systems. Authorized DHCS staff can view limited information to assist in Medi-Cal determinations eligibility.

California Department of Motor Vehicles

The California Department of Motor Vehicles (DMV) provides real-time identity verification functionality. When a claim is filed, the DMV license or identification number is sent to the DMV for verification. The DMV then sends the real-time results of this verification request back to the EDD.

California Department of Social Services

Before authorizing welfare payments and/or benefits, requests are received from the California Department of Social Services (CDSS) in order to verify if the claimant is receiving any form of income such as UI, DI, or PFL benefits. Authorized CDSS employees can view limited information that includes, recent wages and whether or not they have a current claim or a potentially valid claim. If the individual has a current claim, additional payment information will be displayed such as authorization dates and payment status.

California State Board of Equalization

The California State Board of Equalization receives information from employers regarding employment tax returns, wage reports, and payroll tax deposits to the EDD.

California Unemployment Insurance Appeals Board

The CUIAB is an independent administrative court system for workers and employers seeking to challenge the UI, SDI, or Tax decisions made by the EDD. Appeals are the first opportunity for all parties to present evidence and tell their side of the story before an ALJ and have that ALJ decide the case. The process is two-tiered, and second-level appeals are handled by the Board who is tasked with reviewing the first-level ALJ decisions. Appeals and their supporting documentation are submitted to and from the CUIAB on a daily basis.

Claimants

The UI, DI and PFL claimants are the largest group of external entities impacted by this proposal. This group consists primarily of unemployed, underemployed, disabled, or employees who need time off to bond with a new child or to care for a seriously-ill family member who require temporary financial assistance. Claimants can submit and receive information through the telephone, fax, online, mobile, in-person, and through paper channels.

Department of Industrial Relations

The Department of Industrial Relations (DIR) provides benefits for workers when their injury or illness arises out of or is caused by their work. The DIR may also pay medical bills and benefits for temporary or permanent disabilities. The EDD interacts with the DIR through Worker's Compensation (WC) correspondence to gather or provide benefit information. The DIR utilizes

and maintains the Electronic Adjudication Management System (EAMS), which is a computer-based case management system that simplified and improved the Division of Workers' Compensation case management process. The EAMS reduces environmental and physical stress associated with maintaining paper files and helps guide policy decisions to better distribute resources. Both the UIB and DIB have access to and use the EAMS for filing WC liens

Employers

Requests for former and current employee information and program information are sent daily between the UIB/DIB and employers via telephone, fax, online, mobile, and through paper channels.

Franchise Tax Board

The FTB is responsible for administering two of California's major tax programs: Personal Income Tax and Corporation Tax. State tax returns and even lottery winnings may be intercepted by the EDD's UIB and DIB to repay a benefit overpayment.

Internal Revenue Service

The IRS is responsible for determining, assessing, and collecting tax obligations for the federal government. Federal tax refunds are now intercepted by the EDD's UIB to repay a benefit overpayment.

Interstate Connection Network

State Workforce Agencies (SWA), such as the EDD and its UI program, use the Interstate Connection Network (ICON) to assist other SWAs nationwide in exchanging standardized information needed to process Interstate Benefits and Combined Wage Claims, Unemployment Compensation for Federal Employees (UCFE) Wage Transfer, UCFE/Unemployment Compensation for Ex-Service Members Query Verification, and other UI-related information between the SWAs. The ICON system was established to enable SWAs with differing hardware and software configurations to exchange pre-formatted interstate data electronically. California must be able to connect with other states in the nation in order to facilitate and fulfill these requests both as the receiver and the requester of this information.

Medical Providers

All SDI claims require medical certifications. This can be done through Optical Character Recognition forms, bulk filing, or through electronic filing. Medical providers that are registered with SDI Online are able to log in using the username and password they provided when establishing an account.

Office of Technology Services

The EDD utilizes both Tenant Managed Services and Managed Services offerings from the Office of Technology Services (OTech) for the hosting of various applications and databases.

PFL Advocacy Group

The PFL advocacy group disseminates PFL information and educates the general public about new PFL legislation or program changes, provides support and has direct communication with existing or potential PFL customers or their family members, and connects the EDD with organizations to increase PFL awareness through education and training.

Social Security Administration

The UI Program uses information transmitted both to and from the Social Security Administration (SSA) in real-time to verify the ownership of an individual's social security number when they file or re-open a claim for UI benefits. The SSA sends back the results of this verification request in real-time.

United States Citizenship and Immigration Services

The U.S. Citizenship and Immigration Services (USCIS) is the government agency that oversees lawful immigration to the U.S. The UIB collaborates with the USCIS in real-time to verify if the individual claiming UI benefits has had lawful citizenship status for the time period in question. The results of the inquiry are then sent back to the UIB. These inquiries are transmitted using the Systematic Verification for Entitlements Program in real-time whether filing a brand new claim or re-opening a claim while in continued claim status.

United States Department of Labor

The state must adhere to federally mandated regulations that require all payments and eligibility decisions be made timely, and that all reports related to those eligibility decisions be provided to the DOL. Eligibility decisions are not the only reports that are required to be provided to the DOL. Examples of reports provided to the DOL include new claims filed, claims paid, eligibility timeliness, weeks claimed, weeks paid, weeks disqualified, exhaustion rates, overpayments established, and overpayments recovered. In addition, the DOL oversees the states' UI programs for conformity and compliance to federal law. They also provide technical assistance and guidance to the states when new federal laws are introduced.

Voluntary Plan Employers

An employer can administer a self-insured VP or obtain coverage from an admitted insurer. If a VP employer provides the company DI coverage in lieu of the state plan, then they must also provide PFL coverage. The VP employers must submit their applications to the EDD for processing and approval.

Voluntary Plan Third Party Administrators

A Third-Party Administrator is a private company that consults and assists an employer in administering their EDD approved VP.

NASWA

The National Association of State Workforce Agencies (NASWA) is the national organization representing all 50 state workforce agencies. These agencies deliver training, employment, career, business, and wage and hour services, in addition to administering the unemployment insurance, veteran reemployment, and labor market information programs. NASWA provides policy expertise, shares promising state practices, and promotes state innovation and leadership in workforce development.

Advocate Groups

The EDD has determined the following advocate groups may be impacted by this proposal. Advocate groups will need to be engaged during the project. However, the EDD does not anticipate any of the entities identified below to have decision making authority during the project lifecycle nor to be included in the steering committee meetings.

The below advocate groups will be consulted on design and feature options that are pertinent to their group during the planning process:

Asian Law Caucus

Asian Law Caucus is nation's first legal and civil rights organization serving low-income, immigrant, and underserved Asian American and Pacific Islander communities. Within that political umbrella are shared histories and stories, as well as unique systemic inequities and barriers to justice and freedom for different ethnicities. The Caucus fights for justice and equity which is deeply informed by and in solidarity with fights for liberation by and for Black, Indigenous, and Latinx communities.

California Labor Federation

The California Labor Federation is dedicated to promoting and defending the interests of working people and their families for the betterment of California's communities. From legislative campaigns to grassroots organizing, their affiliates are actively engaged in every aspect of California's economy and government. Most of the affiliated unions are also active with central labor councils or building trades councils at the county or regional level.

Centro Binacional para el Desarrollo Indígena Oaxaqueño

Centro Binacional para el Desarrollo Indígena Oaxaqueño (CBDIO) is dedicated to implement projects on worker's rights, which provides orientation, education, training, counseling and referrals. The organization has also promoted intensive training on professional ethics of indigenous interpreters, to serve as a medium of communication between monolingual indigenous migrants and various government agencies and other entities.

California Rural Legal Assistance

California Rural Legal Assistance (CRLA) provides free civil legal services to low-income residents of California's rural counties. They fight for justice and individual rights alongside the most exploited communities of our society.

Disability Rights Education and Defense

Disability Rights Education and Defense Fund (DREDF), is a leading national civil rights law and policy center directed by individuals with disabilities and parents who have children with disabilities. Such economic and social disenfranchisement is not an inevitable consequence of the physical and mental limitations imposed by disability. They say it is the result of society's historic response to those limitations: lack of accessibility in the built environment and policies that encourage or even require exclusion, segregation, and institutionalization.

Los Angeles Alliance for a New Economy

Los Angeles Alliance for a New Economy (LAANE) is a nationally recognized advocacy organization dedicated to building a new economy for all. Combining dynamic research, innovative public policy, and strategic organizing of broad alliances, LAANE promotes a new economic approach based on good jobs, thriving communities, and a healthy environment.

Mixteco Indigena Community Organizing Project

Mixteco Indigena Community Organizing Project (Mixteco) supports, organizes and empowers the indigenous migrant communities in California's Central Coast.

Neighborhood Legal Services of Los Angeles County

Neighborhood Legal Services of Los Angeles County (NLSLA) aims to unravel entrenched disparities that have resulted from longstanding injustice, systemic racism and institutionalized inequality. Each year NLSLA provides free assistance to more than 150,000 individuals and families through innovative projects that expand access to justice and address the most critical needs of people living in poverty throughout Los Angeles.

Center for Worker's Rights

The Center for Worker's Rights strives to improve working conditions, reduce barriers to secure employment and remedy workplace injustices for low wage workers and their families in the greater Sacramento area.

Working Partnerships USA

Working Partnerships USA is a community organization bringing together the power of grassroots organizing and public policy innovation to drive the movement for a just economy, tackling the root causes of inequality and poverty by leading collaborative campaigns for quality jobs, healthy communities, equitable growth and vibrant democracy. They build the capacity of workers, low-income neighborhoods and communities of color to lead and govern.

1.5   Business Program

1. **Business Program Name:**

The Employment Development Department (EDD) administers several multi-billion dollar benefit programs, including the Unemployment Insurance (UI), Paid Family Leave (PFL), and State Disability Insurance (SDI) programs that provide financial stability to workers and communities.

Program Background and Context: (Provide a brief overview of the entity's business program(s) current operations.)

The Employment Development Department (EDD) provides a variety of services to businesses, workers, and job seekers. EDD administers several multi-billion dollar benefit programs including the Unemployment Insurance, Disability Insurance, and Paid Family Leave programs that provide financial stability to workers and their communities. We also provide critical employment service programs to Californians, collect the state's labor market information and employment data, and serve as one of the nation's largest tax agencies through our collection of payroll taxes.

The mission of EDD is to enhance California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving need of employers, workers, and job seekers.

Unemployment Insurance Branch

The UI program was established as part of the Social Security Act of 1935. The UI program is based on federal law, administered by the states, and financed by UI tax contributions from employers. The UI Branch (UIB) administers the employer-funded UI program, a short-term wage replacement program for unemployed individuals. The mission of the UIB is to provide comprehensive UI services to California's workers and employers. These services sustain economic prosperity in California communities, provide income replacement, and assist in the re-employment of workers. The UIB's major functions include filing UI claims, determining eligibility, and paying benefits timely and accurately; analyzing and applying applicable federal and state laws; performing program administration and oversight, including developing and implementing program policy and procedures; planning and developing automation projects; accounting for UI and DI benefits; and maintaining the integrity of the UI program and UI Trust Fund. The UIB also administers programs on behalf of other federal and state agencies including the following:

Federal Disaster Unemployment Assistance (DUA):

DUA is a federal program administered by the United States (U.S.) Department of Labor (DOL), and State Employment Security Agencies such as the EDD. The DUA program provides weekly payments for individuals whose work or self-employment is interrupted due to a disaster (such as an earthquake or wildfire).

- **State Special School Benefits**: Administered by the EDD on behalf of the California Department of Education, California's UI Code provides for special unemployment compensation benefits to be paid to non-professional school employees of the State Special Schools during an established or customary vacation period or holiday recess. The most common of these being the summer recess period. These employees would normally be denied UI benefits if they were employed at any other school in the state.

- **Federal Trade Adjustment Assistance (TAA) and Trade Readjustment Allowances (TRA):** The TAA program was established to help American workers who have lost work as a result of increased imports or shift in production to foreign countries. It is a federal program

administered by the DOL and cooperating State Employment Security Agencies, such as the EDD. The TRA payments are additional income support payments to individuals who have exhausted their UI benefits and whose jobs were affected by foreign imports as determined by a certification of group coverage issued by the DOL.

- **Workforce Innovation and Opportunity Act (WIOA**): The WIOA is another federal program that is administered by the DOL in coordination with the U.S. Departments of Education and Health and Human Services through grants to State Employment Security Agencies such as the EDD. The WIOA is designed to strengthen and improve our nation's public workforce system by helping Americans to get into high-quality jobs and careers and to help employers hire and retain skilled workers. Reports for the WIOA program are submitted by the EDD to the DOL regarding enrollment, funding, and completion rates. A list of WIOA-approved providers and their training programs are made available in the California Job Opening Browse System (CalJOBS), California's online resource for job seekers and employers to navigate the state's workforce services.

The UIB consists of four divisions as described in the following sections:

Unemployment Insurance Integrity and Accounting Division

The UI Integrity and Accounting Division (UIIAD) manages Benefit Payment Control activities that include claims processing, fraud prevention and detection, establishing of overpayments, employer and claimant assistance, and benefit accounting to ensure the integrity of the UI Trust Funds. The UIIAD staff verify claimants' identities and perform all UI, DI, and Paid Family Leave (PFL) claim monetary re-computations, including combining wages from other states and U.S. territories, or adding federal or military wages; complete wage investigations providing claimant and employers with accurate and timely decisions regarding subject wages; respond to claimant inquiries regarding UI Online registration; manage accounting for UI, DI, and PFL benefit payments; transmit Voluntary Federal Income Tax withholdings and Child Support Intercept deductions; and reconcile UI, DI, and other Departmental bank accounts. Additional responsibilities include administering interagency offset programs with the Franchise Tax Board (FTB), the California Lottery, the Internal Revenue Service (IRS), the Department of Child Support Services, and the credit card program for repayment of the UI and DI benefit overpayments; administering the UI Quarterly Benefit Audit and the daily New Employee Registry cross-match to detect and prevent improper UI benefit payments; and responding to claimant and employer telephone calls related to benefit overpayments, Identity Alert, and the 1099G process (Report of Taxable Unemployment Compensation Payments).

Unemployment Insurance Northern and Southern Operations Divisions

The UI Northern Operations Division (UINOD) and the UI Southern Operations Division (UISOD) serve customers throughout California by providing claim filing, benefit payment, eligibility determination, appeals, overpayment, and special claim services. These divisions consist of nine Northern and seven Southern field offices whose primary responsibilities include providing information to the public and employers about California's UI program; filing/reopening claims, verifying claimant identity, identifying eligibility issues, promptly paying or denying benefits in accordance with federal and state laws, processing claimant and employer correspondence, investigating and establishing fraud and non-fraud UI overpayments, conducting pre-appeal reviews and appeals transmittals for UI Administrative Hearings, and implementing decisions rendered from administrative law judges (ALJ). Two of the Northern field offices are specifically designated to perform special functions including processing rulings to determine employers' liabilities for benefit

charges; processing Continued Claim Forms, Partial Claim Forms, Partial Fisherperson Claim Forms; administering the Work Sharing UI Program, State Special Schools Benefit Program, and the Federal Trade Act Program; determining employers' liability of benefit charges; processing claimant and employer correspondence; and taking appropriate action to promptly pay or deny benefits in accordance with federal and state laws. These two field offices do not perform the basic UI program administration functions as the other seven field offices in Northern California.

Unemployment Insurance Support Division

The Unemployment Insurance Support Division (UISD) provides administrative oversight of the UI program and coordinates the program activities across the UI Branch, with other Department entities, state agencies, and federal partners. UI Administrative Support and Program Performance Section measures UI program performance against policy, program, and performance objectives or requirements; initiates, leads, plans, and oversees statewide system, automation, and application enhancements for the UI program; collects UI data and submits federally mandated reports to the U.S. Department of Labor in addition to the UI Branch for workload analyses and statistical trends; produces data upon request for the Governor's Office, the Legislature, etc.; forecasts workload demands, assesses production capacity, projects workload-based budget ceiling options for program operations; estimates expenditures and develops spending plan options for the UI Branch; works with Fiscal Programs Division to develop federal and state budgeting documentation; provides UI Branch support in workload management; provides Branch support for facilities and information technology activities. Program Policy and Integrity Section initiates, develops, and implements UI program policies and procedures based on federal and state laws and regulations, and California Unemployment Insurance Appeals Board administrative decisions and court decisions; ensures coordination within UI Branch and between EDD organizations to provide consistent, efficient, and effective UI services to our customers, while ensuring the integrity and security of the UI program. The UI Systems Support Section supports implementation of ITB maintenance projects and UI Branch SharePoint administration; provides safeguard support for Single Client Database, and California Unemployment Benefit Services (CUBS) access; serves as the UI Branch SPOC for Federal Tax Information audit and compliance activities. Branch Training Section creates and deploys block training to UI Center staff statewide; administers training-for-trainers and provides ongoing coaching and mentoring of trainers throughout the state. Special Projects oversees the UI Online maintenance and operations, serves as lead on the Initial Claims Project, and leads the UI Manual Revision project.

Unemployment Insurance Command Center Division

The Unemployment Insurance Command Center Division (UICCD) supports the maintenance and operations of the UI Call Center Network; partners with Information Technology Branch and telecommunication vendors to ensure the call processing network meets business needs; develops methodologies and systems for allocating and monitoring UI resources; prepares resource requests, reviews actual workload, and accounts for resources used for all UI claim handling processes.

Disability Insurance Branch

The DI Branch (DIB) administers the SDI program, which provides short-term partial-wage replacement benefits to eligible California workers who need time off work due to a disability. The SDI program is comprised of the following components: DI, PFL, Voluntary Plan (VP), Non-Industrial Disability Insurance (NDI), and Disability Insurance Elective Coverage (DIEC).

The DI benefits are provided to eligible California workers who are unable to work and have a loss of wages due to a non-work-related illness or injury, or due to pregnancy or childbirth. The PFL benefits are provided to eligible workers who need to take time off work to care for a seriously ill family member, bond with a new minor child or participate in a qualifying event because of a family member's military deployment. The VP is a private short-term DI coverage that an employer may offer to its California employees as a legal alternative to the mandatory state plan coverage. The NDI provides short-term DI benefits for excluded employees; rank-and-file employees in bargaining units 2, 5, 6, 7, 8, 9, 10, 12, 13, 16, 18, and 19; state employees who are active members of the Public Employees' Retirement System; state officers; and employees of the legislature not covered by the state plan. The DIEC Program is an optional program for business owners and self-employed individuals who are not required to pay into the SDI but want to be covered by the DI and PFL.

The DIB consists of four divisions as described in the following sections.

Central Office Division

The Central Office (CO) Division provides administrative support to the DIB executive staff, the Claims Management Field Operations Division and the Customer Service Center (CSC) and the PFL Field Operations Division. The CO staff develop policies and procedures; oversee program quality and integrity; provide education and outreach to external entities; resolve claim related issues elevated by other government agencies; and act as a liaison to coordinate efforts to obtain services from the EDD support entities, including but not limited to the FPD, the Business Operations Planning and Support Division (BOPSD), the Public Affairs Branch (PAB), and the ITB.

Claims Management Office Field Operations Division

The Claims Management Office (CMO) Field Operations Division provides direct service to eligible workers seeking wage replacement benefits. The CMO staff process DI claims and respond to direct customer contacts through in-person service, electronic inquiries, and telephone calls from claimants, workers' compensation carriers, employers, and medical providers. The Division also oversees the development and delivery of training for all DI staff.

Customer Service Center & Paid Family Leave Field Operations Division

The CSC and PFL Field Operations Division oversees three DI CSCs and one PFL CSC, which handle telephone calls and in-person contacts related to DI and PFL claims. Additionally, the Division oversees one PFL CMO, which processes PFL claims and responds to direct customer contacts through in-person service, electronic inquiries, and telephone calls from claimants, care recipients, employers, and medical providers. The Division also oversees the development and delivery of training for all CSC and PFL staff.

Workload Optimization Division

The Workload Optimization Division (DI Command Center) will serve as a central hub to integrate workload and customer-related data that will allow for real-time reporting, data analytics, enhanced training functionality, and a robust quality management program to help elevate the customer experience. We will proactively increase the speed and effectiveness of decision-making, which will help us to better identify and manage claimant risks and common challenges, improve accountability and transparency, and provide a greater focus on the voice of the customer and the quality of services. These metric-based services will provide targeted support of operations in the Claims

Management Office (CMO), Customer Service Center (CSC), Paid Family Leave (PFL) divisional offices, as well as certain functions performed by the Central Office (CO) Division.

Tax Branch

The Tax Branch is one of the largest tax collection agencies in the United States. The Branch handles all the customer service, education, administrative, and enforcement functions for the collection, accounting, and audit of Unemployment Insurance (UI) and Employment Training Tax (ETT) contributions, and Disability Insurance (DI) and Personal Income Tax (PIT) withholding. Additionally, Tax Branch works with California's 1.5 million employers to collect employment taxes and data to support the employment security, PIT, and child support programs, and to ensure that employment taxes and information are reported promptly and accurately.

Tax Processing and Accounting Division

The Tax Processing and Accounting Division (TPAD) establishes employer accounts, maintains tax, wage, and monetary information, determines employer tax rates, and digitally scans and stores claim forms and related correspondence for the UI and SDI programs. The TPAD is responsible for analyzing benefit charge claims to determine the amount of charges and credits that need to be applied to an employer's benefit charge account and for analyzing the tax rated employer's benefit charges to determine the correct amount of charges and credits that need to be applied to an employer's reserve account. The Document and Information Management Center (DIMC), within the TPAD, is the scanning facility for the EDD. The UI, DI and PFL forms and overpayment remittances are batched and scanned into InfoImage by the DIMC.

Collection Division

The Collection Division (CD) administers the employment tax and benefit overpayment collection programs. The CD ensures that employers promptly and accurately report data and pay revenues necessary to support services and benefits provided by the UI, SDI, ETT, and PIT withholding programs. Additionally, the CD, through the Benefit Overpayment Collection Section (BOCS), collects UI and DI benefit overpayments. The collection of benefit overpayments helps to ensure the solvency of both the UI and DI funds which allows for the timely payment of benefits and positively impacts employer UI rates. To support benefit overpayment collections, the BOCS utilizes the Benefit Overpayment Collection application which interfaces with the EDD's mainframe systems. The BOCS staff are reliant upon these applications for processing their daily workload.

Tax Support Division

The Tax Support Division (TSD) provides administrative and technical support to the Tax Branch Deputy Director and the three Tax Branch operating divisions. The TSD coordinates with the operating divisions and other branches in the areas of customer service, resource planning and utilization, systems and processes, technology, and staff development.

Field Audit and Compliance Division

The Field Audit and Compliance Division (FACD) provides employment tax education assistance, and enforcement to maximize voluntary compliance, safeguard workers' rights, and promotes fair

competition. The FACD also works with the employer community to increase voluntary compliance with employment tax laws.

Please note, the TSD and the FACD will not be directly impacted by the BSM effort.

2. **How will this proposed project impact the product or services supported by the department?**

To significantly improve customer experiences, reduce fraud, improve interoperability, and improve adaptability, EDD will establish a broader set of integrated shared services leveraging new and some existing technologies that support UI, DI, and PFL programs. The premise of the future state seeks to maximize integrated / common shared services to the extent practical to improve efficiency and improve customer experience at the same time. This level of integrated services allows for greater leverage of leading investments, better quality data resources, and simplified channel designs to support customers. Specialization of processes and skills by program / branch is kept to an essential level where program knowledge is necessary to fulfil the obligations of each program. Solely targeting investments on the most visible issues will not be sufficient to achieve the lasting improvements that EDD and its customers expect. Successful transformation must align to all aspects of EDD's service delivery model so that investments in one area are not limited by legacy capabilities elsewhere in the organization. Achieving the objectives and the guiding principles of the future state vision will require investments in multiple aspects of EDD's business operations. Improvements in customer service should span all channels so that customers have positive experiences through all contact points, and the operational barriers in data management, staff training, employer communications, and financial transaction processing all play a role in improving customer experience, reducing fraud, and improving overall efficiencies across programs.

1.6   Project Justification

1. **Strategic Business Alignment**

   Enterprise Architect

   Title: Enterprise Architect.

   Name: Richard Ha

   Strategic Plan Last Updated? 2017-2021 (See attachment A)

   Strategic Business Goal 1: Responsible Service: Negotiate clear commitments with stakeholders and focus on priorities. CDT's Vision 2023 Goal: Ensure public services are equitable and inclusive.

   Alignment: Improve claimant outreach and customer service processes, implement strategies to reduce backlog and improve language access to claimants.
   Business Drivers: "Customer Centered Services to Citizens" and "Efficiencies to Program

Operations for Improved Customer Experience"
Objectives: 1, 3, 4, and 5.

Strategic Business Goal 2: Sustainable Business Operations: Align system operations, administration, resources, and business processes with strategic priorities and budgetary parameters. CDT's Vision 2023 Goal to deliver easy-to-use, fast, dependable, and secure public services.

Alignment: Improve existing benefit claimant satisfaction by designing an easy-to-use, fast, dependable, and secure self-service portal.

Business Drivers: "Customer Centered Services to Citizens" and "Efficiencies to Program Operations for Improved Customer Experience"

Objectives: 1, 3 and 4

Strategic Business Goal 3: Technological Innovation: Invest in our future by supporting appropriate technology solutions, and CDT's Vision 2023 Goal to deliver easy-to-use, fast, dependable and secure public services.

Alignment: Redesign the UI, DI, and PFL benefit systems with a customer-centric, interoperable, modular enterprise-wide platform that securely processes UI, DI, and PFL claims. Improve processes to identify and prevent the widespread fraud in the benefit systems perpetrated by a new wave of criminal syndicates.
Business Drivers: "Customer Centered Services to Citizens", "Efficiencies to Program Operations for Improved Customer Experience and "Technology Refresh".
Objectives: 1, 2, 3, 4 and 5.

Strategic Business Goal 4: Fiscal Stewardship: Responsibly manage our public resources and align investments with strategic goals

Alignment: The complexity of the siloed benefit systems' architecture requires specialized skillsets resulting in multiple costly vendor support contracts. Improve processes to identify and prevent the widespread fraud in the benefit systems perpetrated by a new wave of criminal syndicates.
Business Drivers: "Technology Refresh" and "Protect Claimant Identity and Reduce Fraud."
 Objectives: 1, 2, 4 and 5

Strategic Business Goal 5: Skilled Workforce: Build a highly-skilled and responsive workforce with clear roles and responsibilities.

Alignment: Enrich the Learning Management, tailoring to individual and role-based needs in order to support the go-live of the new claims management system.
Business Drivers: "Efficiencies to Program Operations for Improved Customer" Experience"
Objectives: 1, 3 and 5

Strategic Business Goal 6: Sustainable Business Operations: Align system operations, administration, resources, and business processes with strategic priorities and budgetary parameters.

Alignment: Enrich data analytics and interactive dashboard reporting to provide data metrics for data transparencies, as well as providing sustainable operation efficiency measures for internal and external users.
Business Drivers: "Protect Claimant Identify and Reduce Fraud" and "Efficiencies to Program Operations for Improved Customer
Experience"
Objectives: 2, 4 and 5

Mandate(s): None

Bill Number/Code and the Bill language that includes system-relevant requirements:

AB 56 (Chapter 510, Statues of 2021) requirement of identity automation from the federal Pandemic Unemployment Assistance program and retain those features when it makes sense to do so. It will also help speed payment to claimants and improve the customer experience.

AB 397 (Chapter 516, Statues of 2021) – Unemployment insurance: benefits: disqualification: notice. (7100-038-BCP-2022-GB). Bill includes multi-language requirements.

2. Business Driver(s)

Financial Benefit: No

Increased Revenue: No

Cost Savings: No

Cost Avoidance: No

Cost Recovery: No

Will the state incur a financial penalty or sanction if this proposal is not implemented? No

If the answer to the above question is "Yes," please explain:

N/A

Improvement

Better Services to the People of California: Yes

Efficiencies to Program Operations: Yes

Improved Equity, Diversity, and/or Inclusivity: Yes

Improved Health and/or Human Safety: No

Improved Information Security: Yes

Improved Business Continuity: Yes

Improved Technology Recovery: Yes

Technology Refresh: Yes

Technology End of Life: Yes

1.7   Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity:

EDD administers multibillion-dollar benefit programs, including Unemployment Insurance (UI), State Disability Insurance (SDI), and Paid Family Leave (PFL) that provide financial stability to workers and communities. EDD served approximately 21 million claimants and filed approximately 63 million claims in the past 10 years. During the COVID-19 pandemic, the Department paid over $180 billion in UI benefits.

EDD also manages the administrative, accounting, auditing, collection, and enforcement functions for UI, Employment Training Tax, SDI withholding, and California Personal Income Tax withholding and in fiscal year 2020-21collected $96 billion in payroll taxes. Working with 1.6 million employers, EDD collects and maintains the employment tax and benefit records for 17.4 million workers.

EDD maintains multiple benefit management systems that support the UI, SDI and PFL programs including UI Online, SDI Online, the PFL application, and Base Wage database. In 2012, EDD delivered a partial modernization that enabled users to apply for and manage SDI claims online. UI Online launched in 2015 to allow claimants to apply for UI benefits, certify for benefits, and manage UI claims online.

The PFL application has not been modernized since being implemented in 2004. While these partial system modernization projects added online capabilities for the users, the systems designs are complex and that hinders the ability to deliver necessary customer service improvements.

In 2016-2017, EDD began exploring a modernization effort to replace the legacy UI Online, DI Online and PFL application systems based on demand levels from the Great Recession. In 2019-20, EDD was in the process of procuring a system integration vendor and then the COVID-19 pandemic struck. The pandemic showed that the approach to modernization must place the claimant first and build around their needs.

On July 29, 2020, Governor Newsom directed a Strike Team from the Government Operations Agency to set a path for needed reforms at EDD. At the recommendation of the EDD Strike Team, the project and related procurement efforts were paused in September 2020. This decision was consistent with multiple assessments and expert recommendations including Vision 2023, California's statewide technology strategic plan.

With the passage of the Budget Act of 2021, the Legislature invested $11.8 million to restart the modernization effort and incorporate the lessons learned from the pandemic and the unprecedented $180 billion in benefits paid. By focusing on solving specific problems in a targeted way, EDDNext will deliver more effective system improvements. EDD has leveraged the work already done, including an inventory of business rules and processes, to incorporate that information into the project going forward. The assessment is also identifying additional customer service improvements that are necessary in addition to renaming the project to EDDNext. Consulting Services were engaged for a business process re-engineering (BPR) effort to analyze EDD's business operating model, assess existing technologies and develop a roadmap that will lead to an approach that will deliver an

improved customer experience, while ensuring the customer privacy and security is protected. A nine-month effort began in September 2021, to analyze the documented Benefit Systems Modernization business processes and provide recommendations. This effort evaluated the recently implemented pandemic processes, services, and tools to identify the possibility of leveraging these pandemic investments, performed a gap analysis and defined the high-level requirements for future project procurement solicitations.

EDDNext will focus on modernizing UI, DI, PFL and Tax program operations, business processes and technology where existing barriers hinder improvements to customer service. This approach is consistent with recommendations of the Strike Team, California State Auditor (CSA) and U.S. Department of Labor (DOL). The EDDNext Project objectives are:

- **Enhanced customer-centric service design -** Boosting multilingual service and support across channels such as mobile, social media, self-service website, live chat, and others.
- **Increase self-service opportunities -** Simplifying the claims intake process by expanding self-service functionality across all programs.
- **Mitigate fraud -** Protecting claimant identity and reducing risk with new claims processing and technology-driven solutions.
- **Improved consistent integrated program delivery -** Extending data analytics to deliver more useful claims processing information and enhanced employee training.
- **Greater adaptability for faster program changes -** Delivering an integrated benefit system that can be upgraded and modified more quickly to meet system demands and implement entirely new benefit programs such as the emergency federal Pandemic Unemployment Assistance program passed during the pandemic.

Objective ID: 1 **Increase self-service opportunities** - Simplify the claims intake process by expanding self-service functionality across all benefit programs.

Metric 1.1: The proportion of claims that are filed through the online portal vs. all other means (e.g., phone, in person etc.)

Baseline: UI: 77% online, 23% other means (16% paper, 7% telephone claim filing). DI: 74% online, 26% other means (2021). PFL: 0% online, 100% other means.

Target Result: By the end of the project, target the proportion of claims filed through online portal vs other means as:

UI: 95%

DI: 85% online.

PFL: 85% online.

Metric 1.2: The number of unique self-service actions available to claimants, employers, and medical providers.

Baseline: Current number of existing self-service actions available to claimants, employers, and medical providers.

Target Result:

By the end of the project, increase of 5 self-service actions by the end of project. Examples:

- Claimant profile/preferences update.

- Claimant view transaction history.

- Claimant view DI/PFL claim status.

- Claimant view electronic notices.

- Claimant/Employer/Physician document upload.

- Claimant/Employer/Physician embedded help.

The current system does not have any of the above self-service actions.

Metric 1.3: Ratio of phone calls entering the Customer Support Center (CSC) to unique callers within one year of going live.

Baseline: Peak ratio: UI Call Center 14.9 calls for every unique caller week of 2/6/2021. Current ratio: UI Call Center 2.7 calls for every unique caller week of 3/19/2022.

Target Result: By the end of the project, peak ratio: Less than 5.0 calls for every unique caller. Normal operations ratio: 1.5 call for every unique caller.

Metric 1.4: Percent of errors in initial claims determinations found through Field Office Basic Evaluation System (FOBES) check.

Baseline: UI: 9.5% error rate (2,470 claims reviewed in 2019)
DI: 2.1% error rate in initial claims (501 initial claims examined from Q1 2019 to Q1 2020).
PFL: 0% error rate in initial claims (114 initial claims examined from Q1 2019 to Q1 2020).

COVID:
DI: 8.4% error rate in initial claims (1,327 initial claims examined from Q2 2020 to Q3 2021).
PFL: No FOBES conducted.
UI: No FOBES conducted.

Target Result: 18 months after project implementation, the percent of errors in initial claims determinations found through Field Office Basic Evaluation System (FOBES) check will be reduced to:UI: 5%. DI: TBD*. PFL: TBD*

* DI and PFL are unable to provide the target rate for the CSC metrics at this time. The DI Branch just added a new command center in late February of this year and the new command center is in the beginning stages of establishing their KPIs. The KPIs need to be set before targets. Project team will revisit target results in Stage 4.

Metric 1.5: The average wait time for a caller before speaking to a representative.

Baseline:
UI: 9 minutes (in Contact 11/2021-12/2021)

DI: 21.3 minutes (01/2019 - 02/2020).
PFL: 23.7 minutes (01/2019 - 02/2020).
Tax: 7 minutes (2019 and 2020).

Covid:
UI: 45 minutes (in Contact 08/2020 - 10/2021).
DI: 26.9 minutes (03/2020 - 12/2021).
PFL: 32.4 minutes (03/2020 - 12/2021).
Tax: 21 minutes (2020).

Target Result: 18 months after project implementation, the average wait time for a caller before speaking to a representative UI: 10-15 min.Tax: 10 min. DI: TBD*. PFL: TBD*

* DI and PFL are unable to provide the target rate for the CSC metrics at this time. The DI Branch just added a new command center in late February of this year and the new command center is in the beginning stages of establishing their KPIs. The KPIs need to be set before targets. Project team will revisit target results in Stage 4.

Metric 1.6: The number of abandoned calls while a customer was waiting on hold to connect with a human agent (Abandon Rate).

Baseline:
UI: 9% (in Contact 11/2020-12/2020, 226K abandoned calls).
DI: 11.7% (01/2019 - 02/2020, 486K abandoned calls).
PFL: 12.5% (01/2019 - 02/2020, 90K abandoned calls).
Tax: 3% (6,427 abandoned in 2021).

Covid:
UI: 18% (in Contact 08/2020 - 10/2021, 3.2M abandoned calls).
DI: 12.2% (03/2020 - 12/2021, 271K abandoned calls).
PFL: 13.7% (03/2020 - 12/2021, 51K abandoned calls).
Tax: 8.5% (21,918 abandoned calls in 2019).

Target Result: 18 months after project implementation, the number of abandoned calls while a customer was waiting on hold to connect with a human agent (Abandon Rate) will reduce to: UI: 5-8%. DI: TBD*. PFL: TBD*

* DI and PFL are unable to provide the target rate for the CSC metrics at this time. The DI Branch just added a new command center in late February of this year and the new command center is in the beginning stages of establishing their KPIs. The KPIs need to be set before targets. Project team will revisit target results in Stage 4.

Objective ID: 2

Objective: Mitigate fraud - Protect claimant identity, reduce fraudulent activities, and reduce this costly risk to the state by enhancing technology-driven security.

Metric 2.1: Number of multi-factor authentication options available for claimant to authenticate their access to online systems for Unemployment, Disability, and Paid Family Leave programs by the end of the project.

Baseline: Current Unemployment, Disability, and Paid Family Leave online systems use security questions in addition to login password to authenticate user access which does not constitute multi-factor authentication (MFA).

Target Result: By the end of the project, implement one or more multi-factor authentication option for claimants to access EDD benefit system (Unemployment, Disability, and Paid Family Leave).

Objective ID: 3

Objective: Enhanced customer-centric design - Ensure equity by optimizing service channel design in multiple-languages across channels such as mobile, social-media, self-service websites, live chat, emailed and mailed notices.

Metric 3.1: Number of supported languages by EDDNext systems across channels (e.g., mobile, social-media, self-service websites, live chat, emailed and mailed notices).

Baseline: 2 supported languages: English and Spanish across channels (e.g., mobile, social-media, self-service websites, live chat, emailed and mailed notices).

Target Result: By the end of the project, EDDNext systems will support 8 languages including English and Spanish across channels (e.g., mobile, social-media, self-service websites, live chat, emailed and mailed notices).

Metric 3.2: The percentage of claims that were processed timely based on their targets and relative to fraud levels. UI metric is first payment promptness.

Baseline:

UI: 76% 14 days / 88% 21 days in 2019 (784,695 claims).
UI: 62% 14 days / 79% 21 days in 2020 (4,709,534 claims).
UI: 36% 14 days / 48% 21 days in 2021 (1,217,611 claims).
DI: 95% 14 days in 2019 (616,285 claims).
DI: 95% 14 days in 2020 (598,729 claims).
DI: 93% 14 days in 2021 (640,707 claims).
PFL: 88% 14 days in 2019 (242,345 claims).
PFL: 87% 14 days in 2020 (245,177 claims).
PFL: 85% 14 days in 2021 (268,416 claims).

Target Result: 18 months after project implementation, target: UI: >=87% of all 1st payments made within 14/21 days after the week ending date of the first compensable week in the benefit year. DI and PFL: 86% first payment promptness in 14 calendar days.

Metric 3.3: Percent of claims paid within one week of first certification received.

Baseline: 81% UI claims paid within one week of first certification received.

Target Result: By the end of the project, target 90% of UI claims paid within one week.

Objective ID: 4

Objective: Improved consistent and integrated program delivery - Enhance standardization in user experience. Enhance data analytics to expand dashboards, provide daily reporting on claims processing and backlog, and assist in fraud analysis. Enhance standardization in user experience. Enhance training modules.

Metric 4.1: Customer satisfaction results from an equitably distributed survey (ex. SARS unit) on claimant, employer (future state), and/or medical (future state) experience with their online portals, particularly focused on effectiveness and intuitiveness of the portals.

Baseline: UI: 60% of respondents who used UI Online/Mobile rated the online methods very easy for finding their claim or payment status. DI: 64% of respondents whose goal was to "Access SDI Online" achieved their goal.

Target Result: 18 months after project implementation: UI: 80% of respondents rate UI Online or UI Online mobile as very easy to find claim status.

 DI: >90% of respondents whose goal it is to "Access SDI Online" are able to meet their goal.

 PFL: New functionality.

 Employer/Medical Provider: New functionality.

Objective ID: 5

Objective: Greater adaptability for faster program changes - Eliminate the siloed systems in place of an integrated, interoperable, modular framework that enables rapid program changes, can scale to meet the demand of unusual spikes in claim submissions, and seamlessly implement U.S. Department of Labor (DOL) and California government modifications.

Metric 5.1: Number of configurable and interoperable components available in the data and system integration platform that are shared across programs.

Baseline: No configurable and interoperable components are shared across programs.

Target Result: By the end of the project, the expected result is that claimants have one login/profile for all EDD services and can see their benefits history and outstanding items for all programs on their claimant portal.

Metric 5.2: Benefit systems performance and stress tests results from simulating peak user demand (i.e., peak COVID numbers) to include number of system crashes, total downtime, and number of users negatively impacted.

Baseline: Peak COVID demand ~500,000 UI claims per day. Does not count claimants that were unable to file due to issues. Peak COVID Baseline: 1,064,826 UI claims filed week of 03/21/2020. Does not count claimants that were unable to file due to technical issues. Source. >500,000 claims a day.

Target Result: 18 months after project implementation, all benefits systems pass stress tests at simulated peak claims filed +25% (625,000) with no crashes or recorded system downtime during performance testing.

1.8　Project Management

1. **Project Management Risk Score: 33.5 (See Attachment B)**

   (Attach a completed [Statewide Information Management Manual (SIMM) Section 45 Appendix A](#) to the email submission.)

2. **Project Approval Lifecycle Completion and Project Execution Capacity Assessment**

   Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

   Answer: Yes

   Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

   Answer (No, New, Existing, or Both)**:** Both New and Existing Processes

1.9　Initial Complexity Assessment

1. **Business Complexity Score:** 2.5 (See Attachment C)

   (Attach a completed [SIMM Section 45 Appendix C](#) to the email submission.)

2. **Noncompliance Issues:** (Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is noncompliant.)

   Programmatic regulations: No

   HIPAA/CIIS/FTI/PII/PCI: No

   Security: No

   ADA: No

   Other: No

   Not Applicable: No

   Noncompliance Description:

   N/A

3. **Additional Assessment Criteria**

If there is an existing **Privacy Threshold Assessment/Privacy Information Assessment**, include it as an attachment to your email submission

There is a Privacy Threshold Assessment that was completed during BSM. This will need to be updated in future PAL work. Included attachment for reference.

Attachment D - BSM Security Categorization Impact

How many locations and total users is the project anticipated to affect?

    Number of locations: 61

    Approximate number of internal end-users: ~ 7875 internal end users based on current staff levels.

    Approximate number of external end-users: ~1.46 million based on averages over the last three years.

    Expected Number of Transactions/Business Events (per month): ~UI support to 5 million

    Note: amounts fluctuate due to the health of the economy, particularly in the UI area.

1.10 Funding

Planning

1. Does the Agency/state entity anticipate requesting additional resources through a budget action to *complete planning* through the project approval lifecycle framework? Yes

   If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

   5/11/2022

2. Please provide the Funding Source(s) and dates funds for planning will be made available:

   Annual BCP requesting equal funding by the General Fund and the Unemployment Compensation Disability Fund. The EDD was authorized budget authority for 2022-23 with the enactment of 2022 Budget Act.

Project Implementation Funding

1. Has the funding source(s) been identified for *project implementation*? Yes

   If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

   Annual BCP requesting equal funding by the General Fund and the Unemployment Compensation Disability Fund. The EDD was authorized budget authority for 2022-23 with the enactment of 2022 Budget Act.

   Will a budget action be submitted to your Agency/DOF? Yes

If "Yes" is selected, specify when this BCP will be submitted: 05/11/2022

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: Over 1 Billion.

1.11 Reportability Assessment

1. Does the agency/state entity's IT activity meet the definition of an IT Project found in the State Administrative Manual (SAM) Section 4819.2?

    Answer (Yes, No, Clear): Yes
    If No" this initiative is not an IT project and is not required to complete the Project Approval Lifecycle. (Reportable Project Decision Tree (RPDT) Reference Guide, Reference R1.)

2. Does the activity meet the definition of Maintenance or Operations found in SAM Section 4819.2?

    Answer (Yes, No, Clear): No
    If Yes, this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report and provide an explanation below:
    Click or tap here to enter text.

3. Has the project/effort been previously approved and considered an ongoing IT activity identified in SAM Section 4819.2, 4819.40?   **NOTE**: Requires a Post Implementation Evaluation Report (PIER) submitted to the CDT.

    Answer (Yes, No, Clear): No

    If Yes, this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report.

4. Is the project directly associated with any of the following as defined by SAM Section 4812.32? Includes single-function process-control systems; analog data collection devices, or telemetry systems; telecommunications equipment used exclusively for voice communications; Voice Over Internal Protocol (VOIP) phone systems; acquisition of printers, scanners and copiers.

    Answer (Yes, No, Clear): No

    If Yes, this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report.

5. Is the primary objective of the project to acquire desktop and mobile computing commodities as defined by SAM Section 4819.34, 4989 (RPDT Reference Guide, References R8)?

    Answer (Yes, No, Clear): No

If Yes, this initiative is a non-reportable project. Approval of the Project Approval Lifecycle is delegated to the head of the state entity. Submit a copy of the completed, approved Stage 1 Business Analysis to the CDT and track the initiative on the Agency Portfolio Report.

6. Does the Project meet all of the criteria for Commercial-off-the-Shelf (COTS) Software and Cloud Software-as-a-Service (SaaS) delegation as defined in SAM Section 4819.34, 4989.2, and SIMM Section 22? (RPDT Reference Guide, Reference R9.)

Answer (Yes, No, Clear): No
If Yes, this initiative is a non-reportable project. Approval of the Project Approval Lifecycle is delegated to the head of the state entity; however, submit an approved SIMM Section 22 COTS/SaaS Acquisition Information Form to the CDT.

7. Will the project require a Budget Action to be completed?

Answer (Yes, No, Clear): Yes

8. Is it anticipated that the project will exceed the delegated cost threshold assigned by CDT as identified in SIMM Section 15 Departmental Project Cost Delegation?

Answer (Yes, No, Clear): Yes

9. Are there any previously imposed conditions place on the state entity or this project by the CDT (e.g. Corrective Action Plan)?

Answer (Yes, No, Clear): No

If Yes, provide the details regarding the conditions below: Click or tap here to enter text.

10. Is the system specifically mandated by legislation?

Answer (Yes, No, Clear): No

End of agency/state entity document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 1 and all attachments in an email to ProjectOversight@state.ca.gov.

Department of Technology Use Only

Original "New Submission" Date: 8/18/2022

Form Received Date: 8/18/2022

Form Accepted Date: 8/18/2022

Form Status: Completed

Form Status Date: 8/18/2022

Form Disposition: Approved

　　　If Other, specify: Click or tap here to enter text.

Form Disposition Date: 8/18/2022

Department of Technology Project Number (0000-000): 7100-222