

Efficiency in Numbers as States Take Unemployment Insurance to the Cloud

Theo Douglas | November 6, 2017



Unemployment insurance (UI) may be out-of-sight, out-of-mind to many working Americans, but several groups of states are moving to transform the way they manage safety net systems, with one four-state partnership rolling out a streamlined solution directly in the cloud.

ReEmployUSA, made up of Mississippi, Rhode Island, Maine and Connecticut, deployed what Mississippi officials said they believe is the nation's first multi-tenant UI system in the cloud with the launch of their state's UI benefits online on Aug. 30. They plan on following it up with upgrades to the tax side [in September](#).

A Mississippi Department of Employment Security (MDES) director said plans are to deploy Maine's UI benefits to the cloud in December; its UI tax system in August 2018; followed by Rhode Island in 2019 and Connecticut — the last state to join the group — going live with its benefits in 2020 and UI tax in 2021.

The consortium, which Mississippi leads, has found a way to achieve shared efficiencies by linking and jointly updating siloed, legacy systems.

The states' systems should be about 75 to 80 percent similar, according to MDES Deputy Executive Director Dale Smith, while accommodating UI features unique to one or more states like allowances for dependents in Rhode Island and Maine and temporary disability insurance in Rhode Island.

ReEmployUSA meets Federal Risk and Authorization Management Program (FedRAMP) compliance standards, and individual state and Internal Revenue Service benchmarks.

The consortium finds its origins in the development of MDES' [Access Mississippi](#) (Access MS), its online UI portal, which it supported from years 2004 to 2013. The state contracted with Tata Consultancy Services (TCS) for architecture and coding on Access MS and on ReEmployUSA, and Quality Technology Services provided cloud services.

Increased automation through Access MS saved employees thousands of work hours, including 5,111 hours each year spent responding to employers regarding claims and around 2,000 annual hours to detect claim overpayments, according to a 2013 TCS [case study](#).

But upon re-engineering its own UI systems, Mississippi looked ahead to future sustainability, which led to talks with other states about teaming up; and the eventual formation of the Mississippi-Rhode Island-Maine (MRM) consortium through memorandums of understanding with the two states.

The group was renamed ReEmployUSA after Connecticut joined in early 2015, with each state also having its own individual nomenclature along the lines of ReEmployMS.

"Because there is tremendous need around the country for states to have a solution for this problem. These systems are not cheap to build. They're not easy to build. They're not inexpensive. We have to make the best of what we have and the way we can do that is through consortium," Smith said.

Access MS was funded through state funds, UI administrative monies and supplemental U.S. Department of Labor budget funds made available to states. The MRM consortium received a \$90 million development grant from the U.S. Department of Labor, the state said in a news release.

"It's been a tremendous learning experience for all of us, including the vendors. When we started this, nobody had done this. So that was our biggest challenge," said Mohammed Jalaluddin, director of the MDES Office of Technology Support and Innovation.

Scott Sanders, executive director of the National Association of State Workforce Agencies (NASWA), said ReEmployUSA's architecture makes it particularly interesting.

"I think what's great about this opportunity with ReEmployUSA is the other states, they've built their framework that's flexible and modular enough that they can pull out one set of business processes and drop in another," Sanders said.

NASWA worked with MDES to procure cloud services.

Similar efforts are underway elsewhere, Sanders said, including the [Southeast Consortium Unemployment Insurance Benefits Initiative](#) (SCUBI) between labor departments in North Carolina and South Carolina; MW, a partnering between Maryland and West Virginia; and Idaho's [Internet Unemployment System](#) (IUS), in which Vermont will also take part.

This week's 2017 National UI Directors' Conference and IT/Legal Issues Forum in Orlando, Fla., will feature a workshop on consortiums, he added.

"One of the beauties of doing a consortium is you then have the ability to leverage those software maintenance costs across four states, not just one," Sanders said, noting other opportunities include cross-training potentials and the ability to scale innovations realized by individual agencies. Rhode Island CIO Bijay Kumar confirmed the state is "actively pursuing" opportunities through the consortium, one of which is "definitely economies of scale."

"I want to leverage what has been done in the other states and the lessons learned. I believe in doing reference checks and actively working with people who have implemented similar technologies," Kumar said.

In Mississippi's case, the process of standing up Access MS has pushed the state to update other processes.

The transition helped the state streamline its architecture, ultimately transitioning to a standardized VMware suite to enable the move to cloud. Mississippi also overcame the hurdles of a traditional nine- to 15-month cycle to procure in a shorter timeframe for its UI modernization, while still complying with state laws and requirements around competitive bidding.

Moving forward, Mississippi is building a data warehouse and intends to use business intelligence software to mine it.

"From the management perspective of business, we're bringing some innovation also, by the fact that now we have very granular data which we didn't have in the legacy system," Smith said.

<http://www.govtech.com/Efficiency-in-Numbers-as-States-Take-Unemployment-Insurance-to-the-Cloud.html>