



**FEASIBILITY STUDY REPORT**

**for**

**Benefit Overpayment Collection Automation (BOCA)**

**Prepared by**

**Employment Development Department**

**February 2016**

**FSR Registration No: 7100-204**

# Feasibility Study Report

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Information Technology Project Request



**Feasibility Study Report  
1.0 Executive Approval Transmittal**

**State Entity Name**

Employment Development Department (EDD)

**Project Title (maximum of 75 characters)**

Benefit Overpayment Collection Automation

**Department of Technology  
Project Number**

7100-204

**Project Acronym**

BOCA

**State Entity Priority**

2

**Agency Priority**

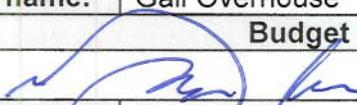
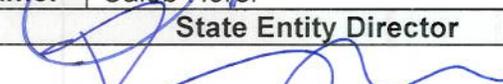
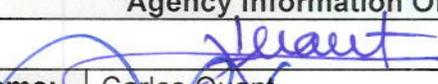
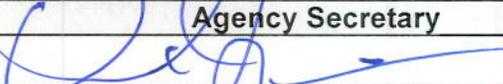
2

I am submitting the attached Feasibility Study Report (FSR) in support of our request for the California Department of Technology's approval to undertake this project.

I certify this FSR was prepared in accordance with State Administrative Manual Sections 4920-4930.1 and the proposed project is consistent with our information technology strategy as expressed in our current Agency Information Management Strategy.

I have reviewed and agree with the information in the attached FSR.

I certify the acquisition of the applicable information technology (IT) product(s) or service(s) required by my Agency/state entity that are subject to Government Code 11135 applying Section 508 of the Rehabilitation Act of 1973 as amended meets the requirements or qualifies for one or more exceptions (see following pages).

APPROVAL SIGNATURES		
<b>Information Security Officer</b>		<b>Date Signed</b>
		1-27-2016
<b>Printed name:</b>	Sutton Fong	
<b>Enterprise Architect</b>		<b>Date Signed</b>
		1-27-2016
<b>Printed name:</b>	Joe Wong	
<b>Chief Information Officer</b>		<b>Date Signed</b>
		1-29-16
<b>Printed name:</b>	Gail Overhouse	
<b>Budget Officer</b>		<b>Date Signed</b>
		2/1/16
<b>Printed name:</b>	Caleb Horel	
<b>State Entity Director</b>		<b>Date Signed</b>
		2/8/16
<b>Printed name:</b>	Patrick Henning Jr.	
<b>Agency Information Officer</b>		<b>Date Signed</b>
		2/9/16
<b>Printed name:</b>	Carlos Quant	
<b>Agency Secretary</b>		<b>Date Signed</b>
		2-9-16
<b>Printed name:</b>	David Lanier	

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# Executive Approval Transmittal

## 1.1 IT Accessibility Certification

### Yes or No

Yes	<b>The Proposed Project Meets Government Code 11135 / Section 508 Requirements and no exceptions apply.</b>
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### Exceptions Not Requiring Alternative Means of Access

Yes or No	Accessibility Exception Justification
n/a	The IT project meets the definition of a national security system.
n/a	The IT project will be located in spaces frequented only by service personnel for maintenance, repair, or occasional monitoring of equipment (i.e., "Back Office Exception.")
n/a	The IT acquisition is acquired by a contractor incidental to a contract.

### Exceptions Requiring Alternative Means of Access for Persons with Disabilities

Yes or No	Accessibility Exception Justification
n/a	<p>Meeting the accessibility requirements would constitute an "undue burden" (i.e., a significant difficulty or expense considering all agency resources).</p> <p>Explain:</p>  <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>
n/a	<p>No commercial solution is available to meet the requirements for the IT project that provides for accessibility.</p> <p>Explain:</p>  <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>

**Feasibility Study Report  
Executive Approval Transmittal  
IT Accessibility Certification (continued)**

**Exceptions Requiring Alternative Means of Access for Persons with Disabilities**

<b>Yes or No</b>	<b>Accessibility Exception Justification</b>
n/a	<p>No solution is available to meet the requirements for the IT project that does not require a fundamental alteration in the nature of the product or its components.</p> <p>Explain:</p>  <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION A: EXECUTIVE SUMMARY**

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**2.0 Information Technology: Project Summary Package (PSP)**

<b>1.</b>	<b>Submittal Date</b>	Feb 2016
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		FSR	PSP Only	Other:
<b>2.</b>	<b>Type of Document</b>	X		
	<b>Project Number</b>	7100-204		

			<b>Estimated Project Dates</b>	
<b>3.</b>	<b>Project Title</b>	Benefit Overpayment Collection Automation	<b>Start</b>	<b>End</b>
	<b>Project Acronym</b>	BOCA	Jul 2016	Jun 2018

<b>4.</b>	<b>Submitting Agency/State Entity</b>	Employment Development Department
<b>4.</b>	<b>Reporting Agency</b>	Labor Workforce Development Agency

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION A: EXECUTIVE SUMMARY**

<b>6.</b>	<b>Project Objectives</b>
	<ol style="list-style-type: none"> <li>1. Increase system support by integrating the Benefit Overpayment Collection System into the Automated Collection Enhancement System (ACES), after implementation.</li> <li>2. Collect \$23 million through the levy process, within one year after implementation.</li> <li>3. Improve access to the EDD by offering self- service options to benefit overpayment customers with a 10 percent adoption rate, within one year after implementation.</li> <li>4. Reduce the number of manually posted paper remittances by 50 percent, within one year after implementation.</li> <li>5. Image incoming correspondence, within one year after implementation.</li> <li>6. Provide customers with additional payment options to facilitate compliance by allowing customers to make electronic payments for billed liabilities, within 18 months after implementation.</li> <li>7. Leverage the ACES functionality to automate work processes requiring manual intervention by integrating the Benefit Overpayment Collection System into the ACES system, within 18 months after implementation.</li> </ol>

<b>8.</b>	<b>Major Milestones</b>	<b>Est Complete Date</b>
	Project Initiation	July 2016
	Requirements Phase	October 2016
	Vendor on Board	January 2017
	Design Phase	April 2017
	Development Phase	December 2017
	Testing Phase	April 2018
	Implementation	June 2018
	System Acceptance	June 2018
	Project Closeout	February 2019
	PIER	February 2019
	<b>Key Deliverables</b>	
	Requirements Traceability Matrix	November 2016
	Project Management Plans	January 2017
	Testing Plan	May 2017
	Use cases	October 2017
	Test scripts	November 2017
	Production System Online	June 2018
	Operations Plan	December 2018
	Project Closure Report	December 2018
	PIER	February 2019

<b>7.</b>	<b>Proposed Solution</b>
	<p>The proposed BOCA system will provide an automated solution integrated with the existing tax application that will offer overpayment liability collection, storage, and account management to improve the effectiveness of the EDD's operations and staff. The proposed system will also provide better services to claimants reducing the time and effort needed to interact with the EDD. The EDD will replace the existing Benefit Overpayment Collection System by adding functionality to the existing Automated Collection Enhancement System (ACES) in production at the EDD. The ACES currently provides liability collection functions for the EDD's tax collections and with this proposed solution the EDD will expand the ACES to also collect Unemployment Insurance (UI) and Disability Insurance (DI) benefit overpayments. This software would provide the primary functionality to support program activities and to generate management reports. The solution provider will be responsible for the overall project integration and assist in project change management activities. The EDD staff will provide legacy system data migration and modifications needed for ancillary systems to accommodate the new system and functionality.</p>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION B: PROJECT CONTACTS**

<b>Project #</b>	<b>7100-204</b>
<b>Doc. Type</b>	<b>FSR</b>

<b>Executive Contacts</b>								
	<b>First Name</b>	<b>Last Name</b>	<b>Area Code</b>	<b>Phone #</b>	<b>Ext.</b>	<b>Area Code</b>	<b>Fax #</b>	<b>E-mail</b>
<b>Agency Secretary</b>	David M.	Lanier	916	653-9900		916	327-9158	<a href="mailto:David.Lanier@Labor.ca.gov">David.Lanier@Labor.ca.gov</a>
<b>State Entity Director</b>	Patrick	Henning, Jr.	916	654-8210		916	319-4431	<a href="mailto:Patrick.Henning@edd.ca.gov">Patrick.Henning@edd.ca.gov</a>
<b>Budget Officer</b>	Caleb	Horel	916	654-8221				<a href="mailto:Caleb.Horel@edd.ca.gov">Caleb.Horel@edd.ca.gov</a>
<b>Information Security Officer</b>	Sutton	Fong	916	654-7732				<a href="mailto:Sutton.Fong@edd.ca.gov">Sutton.Fong@edd.ca.gov</a>
<b>Enterprise Architect</b>	Joe	Wong	916	653-6392				<a href="mailto:Joe.Wong@edd.ca.gov">Joe.Wong@edd.ca.gov</a>
<b>Chief Information Officer</b>	Gail	Overhouse	916	653-8546		916	653-9117	<a href="mailto:Gail.Overhouse@edd.ca.gov">Gail.Overhouse@edd.ca.gov</a>
<b>EDD Project Sponsor</b>	Lisa	Wheeler	916	653-1528				<a href="mailto:Lisa.Wheeler@edd.ca.gov">Lisa.Wheeler@edd.ca.gov</a>

<b>Direct Contacts</b>								
	<b>First Name</b>	<b>Last Name</b>	<b>Area Code</b>	<b>Phone #</b>	<b>Ext.</b>	<b>Area Code</b>	<b>Fax #</b>	<b>E-mail</b>
<b>Doc. prepared by</b>	Kinman	Oyoung	916	654-8370				<a href="mailto:Kinman.Oyoung@edd.ca.gov">Kinman.Oyoung@edd.ca.gov</a>
<b>Primary contact</b>	Jennifer	Chan	916	654-7416				<a href="mailto:Jennifer.Chan@edd.ca.gov">Jennifer.Chan@edd.ca.gov</a>
<b>Contract Manager</b>	TBD	TBD						
<b>Project Manager</b>	TBD	TBD						

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION C: PROJECT RELEVANCE TO STATE AND/OR AGENCY/STATE ENTITY PLANS**

<b>1</b>	What is the date of your current Technology Recovery Plan (TRP)	<b>Date</b>	June 2015
<b>2</b>	What is the date of your current Agency Information Management Strategy (AIMS)?	<b>Date</b>	August 2003
<b>3</b>	For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.	<b>Doc.</b>	EDD Strategic Plan
		<b>Page #</b>	Enterprise Project Portfolio page #2

<b>Project #</b>	<b>7100-204</b>
<b>Doc. Type</b>	<b>FSR</b>

		<b>Yes</b>	<b>No</b>
<b>4</b>	<b>Is the project reportable to control agencies?</b>	X	
	<b>If YES, CHECK all that apply:</b>		
X	a) The project involves a budget action.		
	b) A new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.		
X	c) The estimated total development and acquisition cost exceeds the departmental cost threshold and the project does not meet the criteria of a desktop and mobile computing commodity expenditure (see SAM 4989 – 4989.3).		
	d) The project meets a condition previously imposed by the Technology Agency.		

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION D: BUDGET INFORMATION**

**PROJECT COSTS**

<b>Budget Augmentation Required?</b>	<b>No</b>	<input type="checkbox"/>	<b>Project #</b>		<b>7100-204</b>
	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>Doc Type</b>		<b>FSR</b>
			<b>FY</b>	<b>FY</b>	<b>FY</b>
			<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
			\$1,610,769	\$6,067,818	\$1,055,000
					<b>FY</b>
					<b>19/20</b>
					\$1,055,000

**PROJECT COSTS**

<b>1</b>	<b>Fiscal Year</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>TOTAL</b>
<b>2</b>	<b>One-Time Cost</b>	\$3,349,354	\$7,731,582	\$0	\$0	<b>\$11,080,936</b>
<b>3</b>	<b>Continuing Costs</b>	\$0	\$0	\$2,608,757	\$1,345,699	<b>\$3,954,456</b>
<b>4</b>	<b>TOTAL PROJECT BUDGET</b>	<b>\$3,349,354</b>	<b>\$7,731,582</b>	<b>\$2,608,757</b>	<b>\$1,345,699</b>	<b>\$15,035,392</b>

**PROJECT FINANCIAL BENEFITS**

<b>5</b>	<b>Cost Savings/Avoidances</b>	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>6</b>	<b>Revenue Increase</b>	\$0	\$0	\$23,000,000	\$23,000,000	<b>\$46,000,000</b>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION E: VENDOR PROJECT BUDGET**

Vendor Cost for FSR Development (if applicable)	N/A
Vendor Name	

Project #	7100-204
Doc. Type	FSR

**VENDOR PROJECT BUDGET**

<b>VENDOR PROJECT BUDGET</b>						
1	Fiscal Year	16/17	17/18	18/19	19/20	TOTAL
2	Vendor Budget	\$500,000	\$3,500,000	\$1,020,000	\$1,020,000	\$6,040,000
3	Project Management	\$0	\$0	\$0	\$0	\$0
4	Independent Oversight Budget	\$112,560	\$112,560	\$0	\$0	\$225,120
5	IV&V Budget	\$464,400	\$464,400	\$0	\$0	\$928,800
6	Other Budget	\$100,000	\$200,000	\$35,000	\$35,000	\$370,000
7	<b>TOTAL VENDOR BUDGET</b>	<b>\$1,176,960</b>	<b>\$4,276,960</b>	<b>\$1,055,000</b>	<b>\$1,055,000</b>	<b>\$7,563,920</b>
*SFY 18/19 and SFY 19/20 Vendor Budget and Other Budget costs are for Maintenance and Operations						

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION F: RISK ASSESSMENT INFORMATION**

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<b>Project #</b>	<b>7100-204</b>
<b>Doc. Type</b>	<b>FSR</b>

**RISK ASSESSMENT**

	<b>Yes</b>	<b>No</b>
<b>Has a Risk Management Plan been developed for this project?</b>	<b>X</b>	

<b>General Comment(s)</b>
<p>Risk planning is ongoing. Details are located in the Risk Management Plan, Section 7.0. The project team will follow the California Department of Technology's and the EDD's established project management methodology that includes the risk management process and the use of standardized project planning tools. All identified risks will be evaluated for appropriate risk response and mitigation activities will be included in the detailed project plan. This plan will encompass the entire structure of the project, including its deliverables, and provide a comprehensive framework to assess each aspect of the project for potential risk. To ensure success, risks will be monitored and evaluated by the project team throughout the project.</p>

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### **3.0 BUSINESS CASE**

See Appendix A: Stage 1 Business Analysis (S1BA)

### **4.0 BASELINE ANALYSIS**

#### **4.1 Current Method**

The primary purpose of the Unemployment Insurance Branch (UIB) is to pay compensation benefits to individuals that are unemployed through no fault of their own. The Unemployment Insurance (UI) program is funded through employer contributions. The UI program is jointly administered by the federal government as a part of a national UI program, and by the state government, which establishes California's administrative and eligibility requirements.

The Disability Insurance Branch (DIB) provides partial wage replacement to eligible workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, or due to pregnancy or childbirth. The State Disability Insurance (SDI) program is state mandated and funded through employee payroll deductions.

The Tax Branch is committed to investigating cases of improper benefit payments and protecting the integrity of the benefit programs. Section 1379 and 2739 of the California Unemployment Insurance Code (CUIC) authorizes the EDD to recover UI and DI benefit overpayments.

In addition to involuntary collection action to recover benefit overpayments, the EDD may request an offset from federal and state income tax refunds, lottery winnings, or any other money owed to a claimant by the state. With the recent implementation of the Unemployment Compensation Treasury Offset Program (TOP), federal tax return offsets, the EDD has received in excess of \$180 million in fraud recovery from October 2014 through July 2015.

During California's recent economic crisis, the EDD experienced a substantial increase in benefit claims filed. As a result of claimants inappropriately or fraudulently collecting UI and/or DI benefits, the number of benefit overpayments also increased.

The benefit overpayment collection process is triggered when a benefit overpayment is established and either the UI or DI programs determine a claimant has been overpaid due to fraud, misrepresentation, withholding of a material fact, erroneous statement, or by an EDD error. The benefit overpayment includes the basic amount the individual was overpaid. If the overpayment was deemed fraudulent, an additional 30 percent penalty is added to the basic amount. Penalty funds associated with UI benefit overpayments are deposited into the Benefit Audit Fund and UI Trust Fund; DI penalty funds are deposited into the Unemployment Compensation Disability Fund. The claimant may appeal any written EDD decision, and a timely appeal will suppress

collection actions. The UI benefit overpayment is subject to offsets from federal and California state tax refunds, unclaimed property, and lottery winnings. The DI benefit overpayment is subject to the same offsets with the exception of federal tax refunds.

Sixty days after the establishment of the overpayment, the Benefit Overpayment Collection System initiates a payment plan and sends a letter informing the claimant of the terms. Benefit overpayment collection accounts are monitored monthly for payment activity, and follow-up letters are generated if required.

The Benefit Overpayment Collection System accepts voluntary payments and, if routine collection attempts prove unsuccessful, a Final Default Letter is sent to the claimant. If the claimant's account remains in default status, the EDD secures the debt through the Summary Judgment (SJ) process with the Sacramento Superior Court. As part of the SJ process, the EDD assesses costs and interest. Interest collected on the benefit overpayment liability is used to support programs administered by the state. The SJ process allows the EDD to place a lien against real and personal property and to pursue wage garnishments (Earnings Withholding Orders [EWO]).

The Benefit Overpayment Collection System was implemented in 2000. Prior to this time the benefit overpayment collection process was manual. The current system meets the existing workload but cannot grow. The system is maintained and supported by one programmer. Although the Benefit Overpayment Collection System has never failed, if the programmer was to leave their current position, the system may be unsupported due to lack of system knowledge.

The only staff that access the application are from the Benefit Overpayment Collection Section. Management approval is required before accessing the application. Procedures on access control are maintained by the Benefit Payment Collection Section Accounts Receivable Strategy Group. Procedures are reviewed annually. The existing Benefit Overpayment Collection System meets Internal Revenue Service (IRS) Publication 1075, Tax Information Security Guidelines For Federal, State and Local Agencies for protecting Federal Tax Information (FTI), and complies with the Federal Information Security Management Act. The Benefit Overpayment Collection System resides behind the EDD firewalls accessed only by EDD employees.

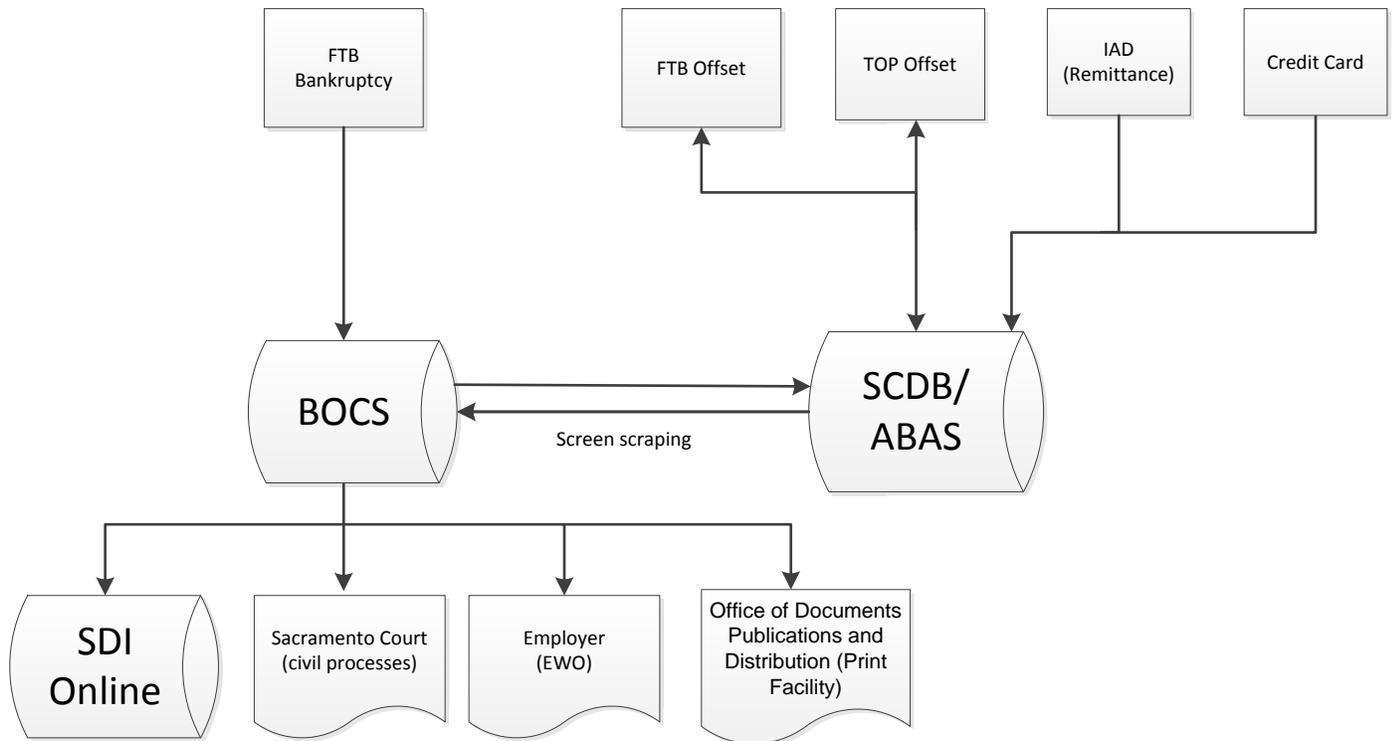
The Benefit Overpayment Collection System consists of the following separate Visual Basic 6 (VB6) applications residing on a single windows server, utilizing 49 Microsoft Access databases.

1. **Benefit Overpayment Collection System** - The Benefit Overpayment Collection System interfaces with the Single Client Database (SCDB)/Automated Benefit Accounting System (ABAS) and scrapes selected information from multiple screens and displays the data in a uniform format specific to the need of the Benefit Overpayment Collection Section staff. The Benefit Overpayment Collection System also provides functions that are not available on the SCDB/ABAS. The Benefit Overpayment Collection System is used to assist with collection and customer service activities.
2. **Benefit Overpayment Collection System Automation Team (BAT) application-** The BAT application was designed as a tool to process large volumes of accounts through automation. The BAT application has the ability to perform actions that are restricted to designated staff (e.g., override capabilities) and creates all data files necessary for centralized printing and data file exchange. Additionally, the BAT application provides functionality for the Benefit Overpayment Collection System's automated reports.
3. **Benefit Overpayment Collection System Summary Judgment (BOCSJ) application** - The BOCSJ application was designed as a tool for searching the application(s) internal databases by other departmental customers. The application gives staff the ability to search by multiple methods (i.e., case number, Repayment Agreement ID, etc.) to assist in the cashiering process.

The Visual Basic and Access databases used by the current system are no longer supported by Microsoft. Hardware consists of an x86-based computer. The current system is an internally developed application written in 2000 and is currently maintained by one programmer. Application documentation does not exist. System failure would result in the manual processing of 700,000 benefit overpayments, which would impact collections and require significant staffing resources to resume collection activities.

The SCDB, and specifically the ABAS, is the accounting system of record for the UI and DI claimant data. The current Benefit Overpayment Collection System receives a weekly flat file of accounts receivables from the SCDB, which is used to create inventories and updates to the current application databases. Relevant information is screen scraped from the SCDB to the Benefit Overpayment Collection System. The Benefit Overpayment Collection Section staff log directly into the SCDB to make changes to the UI data such as notes. The DI notes are stored locally on the Benefit Overpayment Collection System, file transferred to a landing zone, and picked up by the SDI Online, which pushes the notes to the SCDB.

FIGURE 1 – CURRENT ARCHITECTURE



Workloads in the Benefit Overpayment Collection System are partially automated. The Benefit Overpayment Collection Section staff use the current system to analyze and complete all workloads and to provide timely customer service in the call center.

The following provides a brief explanation of the main workloads performed through the current applications:

## **REVENUE GENERATION**

**Summary Judgment (CUIC, Section 1379):** The filing of an SJ protects the State’s interest and allows the EDD to take involuntary collection actions for up to 10 years. The Benefit Overpayment Collection System generates approximately 3,600 SJs per month. The items listed below are included in the SJ process:

- **Satisfactions (CUIC, Sections 1379.6, 2739.2, Code of Civil Procedures (CCP) Sections 724.010, 724.050):** The filing of this legal document releases the judgment and the lien when paid in full, liened in error, or discharged in bankruptcy. The

satisfactions process is both manual and automated. Inventories are manually loaded into the existing system.

- **Payments to Courts, Private Process Server (PPS), Recorders:** Upon satisfaction of the SJ, the UIB program area is responsible for authorizing payments of court fees and lien release fees, when applicable. This process is partially automated with manual processing.
- **Memorandum of Costs and Credits (CCP, Section 685.070):** The Memorandum of Costs and Credits (MOC) is used by the EDD to report and itemize any costs, interest accrued, writ fees, levy officer fees, PPS fees, adjusted lien release fees, and any payments received after the SJ filing. Once costs have been incurred, the EDD has two years in which to claim these costs. This process is partially automated with manual processing.
- **Summary Judgment Renewals (CUIC, Section 1379.5, CCP, Section 683.120 (a)):** The renewal of the SJ allows the EDD an additional 10 years from the date of the original SJ to take involuntary collection action e.g., lien and wage garnishment. This process is partially automated with manual processing.
- **Escrow Demands (CUIC, Section 1732):** An escrow is the process used to transfer funds from a buyer to a seller when a sale or transfer of real property takes place. The escrow process ensures that the property being purchased is free and clear of encumbrances, including state tax liens or liabilities. The escrow holder is required to withhold sufficient funds from the proceeds of the sale to cover any amounts due, and send a demand letter to the EDD within 30 days. The escrow demands must be analyzed individually. In State Fiscal Year (SFY) 2013-14, there were approximately 1,000 escrow demands processed.

## **CUSTOMER SERVICE**

**Employer Returns:** The Benefit Overpayment Collection Section sends the EWO package instructing the Levying Officer (LO) to serve the employer. The package the LO serves the employer includes the Employer Return document and instructs the employer to complete and return the document to the LO indicating whether the claimant is currently employed and/or if a higher priority EWO exists. The LO then forwards the response to the EDD. When the EDD receives the documents, they are sorted and batched processed through the current application(s). This ensures that actions affecting the EWOs are processed in an efficient manner. This process is partially automated with manual processing.

**Bankruptcy (United States Code 11):** The EDD has the responsibility to ensure no further collection action is taken against a claimant who has filed bankruptcy. Once a decision is rendered by the court (i.e., discharge or dismissed), the EDD may resume collection action on any post-petition liability and liability prior to the bankruptcy. All

bankruptcies discharged are written off. This process is partially automated with manual processing.

**Deceased:** These cases are identified through a cross-match of the accounts receivable to the Death Master File received from the ACES through the Bureau of Vital Statistics. These cases are processed through the current application(s) to update the SCDB/ABAS to stop all collection activities and update the accounts for the EDD's write-off process. This process is partially automated with manual processing.

**Payment Remittances:** Paper payment remittances are batched and scanned into Infolmage by the Document and Information Management Center (DIMC). The UI Integrity and Accounting Division (UI-IAD) receives, analyzes, and manually posts all paper payment remittances to benefit overpayment collection accounts by keying from the Infolmage batch directly into the SCDB. Paper remittances received with a payment coupon do not require analysis prior to posting to the SCDB. In SFY 2013-14, the UI-IAD processed a monthly average of 45,763 paper payment remittances, of which 24,030 were received with a payment coupon.

**Inventory Control:** The current application utilizes a real-time inventory process that includes both semi-automated and manual tracking. The semi-automated process utilizes Access databases and related queries to produce tables for tracking of inventory. The manual process includes keying and batching incoming documents such as correspondence, employer letters, Levy Officer Rejects, etc., through the Benefit Overpayment Collection System Application.

The following are additional workloads that are completely manual:

- **Appeal Monitoring** – Currently, aged UI appeals may be appealed without notification to the Benefit Overpayment Collection Section staff.
- **Document Management** - The present system cannot generate previously sent documents to customers nor is the correspondence customizable.

## 4.2 Technical Environment

### 1. Expected Operational Life of a Proposed Solution

The proposed solution is a Commercial Off-the-Shelf (COTS) solution. FAST Enterprises has designed their system to accommodate future business needs, including business process changes and program changes. The vendor is also responsible for future version upgrades.

### 2. Necessary Interaction of a Proposed Solution With Other Systems

The proposed solution will interact with the following systems:

- EDD mainframe applications and databases - SCDB
- EDD scanning facility - DIMC
- EDD ACES
- EDD Business Operations Planning and Support Division (BOPSD)  
Office of Documents Publications and Distribution (Print Facility)
- EDD SDI Online
- EDD UI Online

### 3. State Level Information Processing Policies

The Benefit Overpayment Collection Automation Project (BOCA) will be required to comply with state Information Technology (IT) and security policies, and the following strategic objectives in the EDD Strategic Plan:

#### Goal 1 Fiscal Stewardship

- Automating the levy process through the BOCA project is estimated to collect \$23 million annually.

TABLE 1 - BREAKOUT BY FUND

Unemployment Insurance	\$16,113,871
Benefit Audit Fund	\$3,606,220
Disability Insurance	\$1,934,562
Contingent Fund	\$1,155,208
Total	\$22,809,861

#### Goal 3 Sustainable Operations

- Consolidating the Tax Branch collection activities into a single software solution will:
  - Improve the Tax Branch operations and IT maintenance.
  - Provide new system functionality, allowing the Tax Branch to take advantage of tools designed to maximize collections and to better serve our customers.

#### Goal 4 Enabling Innovation

- Automating the posting of paper remittances received with payment coupons will reduce potential inaccuracies and erroneous collection actions.

#### Goal 5 – Responsible Service

- Customers will have the option to self-service their accounts online.

### 4. Financial Constraints, Including Fiscal Year Limitations and Potential Financial Impact on Local Government

The BOCA project is striving to achieve the most cost effective use of funds for the project. The EDD received \$500,000 of UI Department of Labor grant funding for a portion of the one-time costs.

5. Legal and Public Policy Constraints (such as confidentiality, security and privacy, the Freedom of Information Act, the Information Practices Act, the California Public Records Act, the State Records Management Act, or other legislatively mandated requirements).

The proposed solution will comply with IRS Publication 1075, Tax Information Security Guidelines For Federal, State, and Local Agencies for protecting the FTI, and with the Federal Information Security Management Act as the Benefit Overpayment Collection Application will use FTI and UI data, respectively.

6. Agency/State Entity Policies and Procedures Related to Information Management.

The proposed solution will be implemented in compliance with the EDD information management policies.

7. Anticipated Changes in Equipment, Software, or the Operating Environment.

It is anticipated there will be minimal changes to the existing environments. The proposed solution will include an application and database that reside in the EDD's existing environment hosted at the CA Department of Technology in Tenant Managed Services (TMS). Software will be procured and hosted at the EDD's DIMC facility to provide the EDD the ability to cashier 50 percent of the paper remittances.

8. Availability of Personnel Resources for Development and Operation of Information Management Applications, Including Required Special Skills and Potential Recruitment.

The proposed solution will include both state and vendor resources for the development, implementation, and ongoing maintenance of the solution. The EDD will redirect one position to the ITB for maintenance and operation support.

#### **4.2.1 Existing Infrastructure**

##### **See Appendix C**

1. Desktop Workstations: Windows-based PCs and laptops
2. LAN Servers: The CA Department of Technology and the EDD collaborate for the delivery of Wide Area Network (WAN) Services for the EDD. The CA Department of Technology is responsible for all WAN circuit and router maintenance. The OTech resales WAN services to the EDD, and provides 24x7 helpdesk services and monitoring of router availability. The EDD provides network-based services

at two locations (EDD Central Office and Goethe DIMC) for all the EDD locations. Network-based services include but are not limited to firewalling, Web Proxy, and IDS/IPS services. The EDD is also responsible for LAN to the desktop.

3. Network Protocols: All applications use TCP/IP as the transport protocol. Workstations IP configuration is provided by Dynamic Host Configuration Protocol (DHCP).
4. Application Development Software: Vendor
5. Personal Productivity Software: Microsoft Office Suite
6. Operating System Software: Microsoft Windows Server 2008 Enterprise Edition
7. Database Management Software: Microsoft SQL Server 2008
8. Application Development Methodology: Application development will be based on the recommendation of the COTS vendor in conjunction with the EDD. The solution must be compatible with the EDD's security and infrastructure standards.
9. Project Management Methodology: The BOCA project will use the California Project Management Methodology (CA-PMM). The framework is based on the Project Management Institute's (PMI) Project Management Body of Knowledge and is compatible with the Statewide Information Management Manual (SIMM), Section 17. The CA-PMM provides standard methods and guidelines to ensure that projects are conducted in a disciplined, well-managed and consistent manner, and promotes the delivery of quality products that meet customer needs with projects completed on time and within budget.

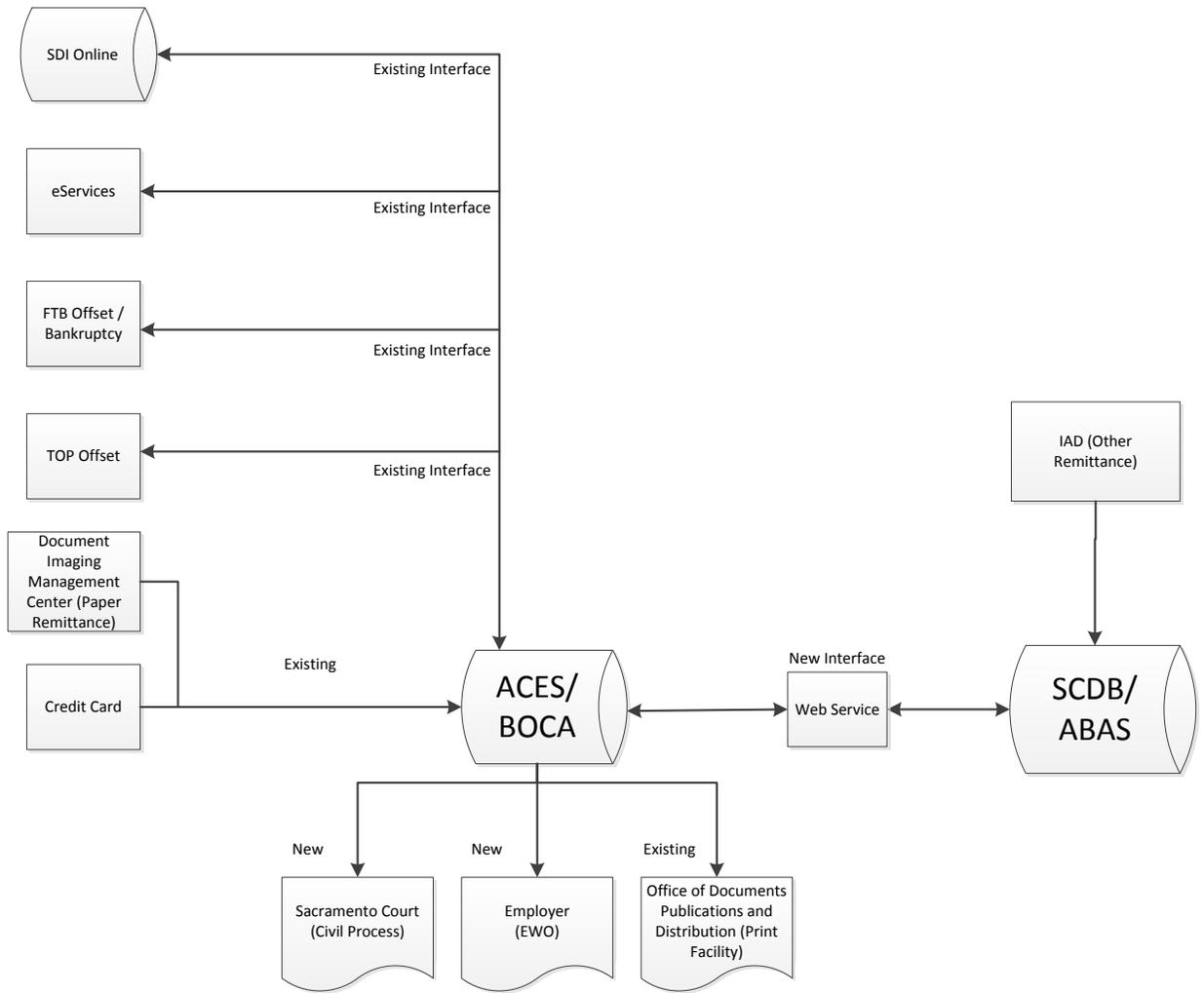
## 5.0 PROPOSED SOLUTION

The proposed solution will provide a modern, fully integrated, and automated system that includes an improved payment remittance process and will use benefit overpayment liability collection, storage, and account management to increase the effectiveness of the EDD's operations and staff. The EDD proposes to replace the existing Benefit Overpayment Collection Section's applications and incorporate the Benefit Overpayment Collection System's functionality into the existing ACES application. Moving the Benefit Overpayment Collection System functionality into the ACES application will allow the Tax Branch to utilize the advanced collection tools within the ACES. Automating the Benefit Overpayment Collection System will increase the recovery of benefit overpayments thereby replenishing both the UI and DI funds, which contribute to the overall fiscal stability of the UI and DI programs. Additionally, monies collected from penalties and interest are deposited into the Benefit Audit and Contingent Funds. The proposed system will also provide additional services to claimants, reducing the time and effort needed to interact with the EDD.

The EDD will contract with FAST Enterprises to modify the ACES to incorporate the Benefit Overpayment Collection System functionality. Using the existing application and vendor will reduce the risk, effort, and cost in developing a benefit overpayment application. Utilizing the ACES as the BOCA solution will streamline staff procedures.

The vendor will be responsible for the overall project integration and assist in project change management activities. The EDD staff will work with the vendor to provide legacy system data migration and modifications needed for ancillary systems to accommodate the new system and functionality.

FIGURE 2 – PROPOSED ARCHITECTURE



## 5.1 Solution Description

### Hardware

The proposed hardware solution will consist primarily of additional Storage Area Network (SAN) storage and must meet approved departmental standards. The existing ACES server environment will host the application.

TABLE 2 – PROPOSED HARDWARE

Description	Qty	Cost	FY	Procurement Approach
SAN - ACES	1	\$250,000	17-18	Statewide Commodity Contract
SAN Storage DIMC	1	\$10,000	17-18	Statewide Commodity Contract
Workstations	10	\$10,000	17-18	Statewide Commodity Contract
Monitors	10	\$1,600	17-18	Statewide Commodity Contract
Flatbed Scanners	2	\$4,000	17-18	SMBE OR DVBE
Memory		\$1,000	17-18	SMBE OR DVBE
Infrastructure Components		\$5,000	17-18	SMBE OR DVBE
Total		<b>\$281,600</b>		

### Software

The proposed software solution will configure the existing ACES application, currently in production, to incorporate the BOCA functionality. Additional software will be purchased for the remittance processing at the DIMC. Additional Identity Management (IdM) licenses will be purchased for customers to access their accounts.

TABLE 3 PROPOSED SOFTWARE

Description	Qty	Cost	FY	Procurement Approach
J&B Software	1	\$580,000	16-17 17-18	NCB
IdM Licensing	30,000	\$10,000	17-18	NCB
Total		<b>\$590,000</b>		

The annual cost for the FAST GenTax license is \$1,000,000.

The annual cost for the IdM license is \$20,000.

### Technical Platform

Platform: database/file server

Operating System: Windows Server

Application Software: COTS

## Development Approach

The EDD will use the vendor's implementation methodology in conjunction with the existing ACES Management Bureau (AMB) and the ACES Application Sections. Any configuration of the system will allow the system to remain compatible with mainstream support, such as version upgrades and security patches. Methodologies used by the vendor must comply with the EDD standards. The EDD staff will work side-by-side with vendor staff to ensure knowledge transfer.

Select and estimate percentage of each

COTS 100% - configurable to EDD specifications     MOTS %     Custom Development %  
 Others None

## Integration Issues

It is the EDD's intent that the Prime Solution Provider will be the system integrator and will be responsible for transferring the Benefit Overpayment Collection System functionality into the existing ACES application. The ACES application, currently in production at the EDD, has many of the interfaces needed for the BOCA. The EDD will develop the interface between the ACES and the SCDB/ABAS. The ACES has existing interfaces to the SDI Online, UI Online, Franchise Tax Board (FTB), IRS, and DIMC systems.

The proposed solution will require the vendor to work closely with the EDD to interface with the following systems:

- SCDB/ABAS
- SDI Online
- UI Online
- Sysout Archival and Retrieval System (SARS)
- DIMC

## Procurement approach

The EDD will utilize the Department of General Services' (DGS) Non-Competitive Bid (NCB) process to enter into a fixed price contract with FAST Enterprises as the primary contractor and system integrator. The existing ACES is based on the FAST Enterprises GenTax software. GenTax is a proprietary product of FAST Enterprises. FAST Enterprises is the only vendor that can directly modify the ACES core code to integrate the new proposed solution within the existing ACES. The scope of this effort includes UI and DI benefit overpayment liability collection, storage, and account management. The vendor is responsible for the software and development. The EDD will procure the hardware necessary for this effort. The maintenance of the new application will be performed through the existing ACES maintenance contract and by the EDD staff. If an NCB is not granted, the project may be withdrawn. Without the integration into the existing ACES, many of the benefits of the proposal may not be achieved.

A. Proposed Prime Vendor Procurement Vehicle(s)

IFB RFI CMAS MSA IFB RFO RFP Others (NCB) None

B. Proposed Prime Vendor Contract Type

Fixed Price Time and materials Percentage of Benefit Other

C. None – The vendor is currently hosting the existing Tax application.

D. Government Code 19130 (b) 3 and (b) 10 apply.

3. The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

10. The services are of such of an urgent, temporary, or occasional nature that the delay incumbent in their implementation under civil service would frustrate their very purpose.

Insufficient qualified staff exist to assist in the interface development. The EDD has been unable to recruit qualified staff with the necessary mainframe expertise in spite of many efforts. The services needed are temporary in nature (i.e., six months). Without the consultants needed to augment the IT staff, the project timeline will have to be extended.

E. For the last six years, the EDD has exceeded the Small Business (SB) and Disabled Veterans Business Enterprise (DVBE) goals. During SFY 2013-14, the EDD exceeded the SB goal by almost 99 percent and the DVBE goal by 209 percent.

F. One-time: February 2016 through June 2017.  
On-going Maintenance: Annual basis starting July 2017.

G An Independent Verification and Validation (IV&V) and Independent Project Oversight Contractor (IPOC) will be contracted as required by oversight agencies.

TABLE 4 PROPOSED CONTRACTS

Type of Contract	Has the contract been awarded	Estimated start date of contract	Estimated end date of contract	Interagency Agreement	Procurement Approach	Total value of contract
Prime Vendor	No	Jan-17	Jun-18	No	NCB	\$4,000,000
Project Oversight	No	Jul-16	Jun-18	Yes	IA	\$225,120
IV&V	No	Sep-16	Jun-18	No	RFO	\$928,800
Contract programmer(s)	No	Dec-16	Jun-18	No	RFO	\$300,000
Total						\$5,453,920

The Contract programmer(s) contract is to add contract programmers to assist the EDD with the SCDB to ACES interface.

## **Technical Interfaces**

The new proposed solution must integrate with the current EDD and the CA Department of Technology architecture. The EDD will be responsible for all required technical interfaces to the EDD systems. The EDD staff will work with the vendor to provide access to legacy system data needed to accommodate the new system and functionality.

The ACES currently interfaces with the FTB and Internal Revenue Service (IRS) for the Employment Tax Program. As these interfaces exist, no new development will be needed for the BOCA.

The BOCA will interface to the following systems:

- SCDB/ABAS
- SDI Online
- UI Online
- Sysout Archival and Retrieval System (SARS)
- DIMC

The department will leverage existing web services that interface with the SCDB in the development of the ACES SCDB interface. The department will also enter into a contract to hire additional programming support for this one-time effort.

## **Accessibility**

The existing ACES application meets all accessibility requirements as outlined in Government Code 11135 and Section 508. The proposed solution will meet the same requirements.

## **Testing Plan**

The testing plan will validate the final configuration of the proposed solution meets the EDD business requirements.

Scenarios will be designed for all customer use cases to ensure system performance under realistic conditions. Test cases will be written to test against the functional requirements. The Tax program area will work with the ITB Enterprise Testing Office and the existing AMB staff to create the User Acceptance Test plans. Testing includes system, interface, user, penetration (security), end-to-end, and stress testing.

## **Resource Requirements**

The vendor will provide the resources to transfer the Benefit Overpayment Collection System to the existing ACES application. The EDD and vendor tasks will be identified in the contract. The EDD recognizes that the new system will require IT and program support staff. The EDD will absorb the staffing needed to support the new system. The EDD will also redirect one program position to the ITB for development and ongoing support.

TABLE 5 ONE-TIME PROJECT RESOURCES

Classification	Role	Function	SFY 16-17	SFY 17-18
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	PM Support	Develop SOW	0.2	0.1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	PM Support	Develop Functional Requirements /	0.5	0.4
SENIOR PROGRAMMER ANALYST (SPEC)	PM Support	Develop Detailed Design Document	0.3	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Design Infrastructure	0.2	0.1
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical ACES	Custom Application Development	0.5	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Setup Infrastructure	0.3	0.2
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical ACES	Testing	0.1	0.4
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Deploy to Prod	0	0.3
DATA PROCESSING MANAGER III	ITB PM	Project Manager	1	1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical Testing	Testing	0.1	0.4
STAFF INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical Testing	Testing	0.1	1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)		scheduling / risk	0.5	0.5
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DB	DBA Mainframe	0.3	0.6
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DB	DBA Mainframe/Scanning	0	0.2
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical Programmer	interface - incoming	0.2	0.5
STAFF PROGRAMMER ANALYST (SPEC)	ITB Technical Programmer	interfaces - outgoing	0.2	0.7
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DIMC	DIMC development	0.1	0.2
SYSTEMS SOFTWARE SPEC III (TECH)	ITB Technical DIMC	DIMC development	0.1	0.3
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0	0.1
STAFF PROGRAMMER ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0.1	0.2
TAX ADMINISTRATOR I, EDD	TAX DIMC SME	Tax DIMC	0.2	0.6
SENIOR ACCOUNTING OFFICER (SPEC)	TAX DIMC SME	Tax DIMC	0.1	0.9
OFFICE TECHNICIAN (GENERAL)	TAX DIMC SME	Tax DIMC	0.1	0.3
			0	0
TAX ADMINISTRATOR I, EDD	TAX ACES Mgmt Bureau	Tax ACES	1	1
SENIOR TAX COMPLIANCE REPRESENTATIVE (SPEC)	TAX ACES Mgmt Bureau	Tax ACES	1.5	1.5
SENIOR ACCOUNTING OFFICER (SPEC)	TAX ACES Mgmt Bureau	Tax ACES	1	1
TAX ADMINISTRATOR III, EDD	TAX BOCS SME	Tax BOCS	0.2	0.2
TAX ADMINISTRATOR I, EDD	TAX BOCS SME	Tax BOCS	1	2
SENIOR TAX COMPLIANCE REPRESENTATIVE (SPEC)	TAX BOCS SME	Tax BOCS	1.5	1.5
TAX COMPLIANCE REPRESENTATIVE Range C	TAX BOCS SME	Tax BOCS	1.5	1.5
			0	0
TAX ADMINISTRATOR I, EDD	UI IAD SME	UI IAD SME	0.5	0.5
SENIOR ACCOUNTING OFFICER (SPEC)	UI IAD SME	UI IAD SME	0.5	0.5
ACCOUNTING OFFICER (SPEC)	UI IAD SME	UI IAD SME	0.6	1.5
ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	UI PCD SME	UI PCD SME	0.1	0.2
STAFF SERVICES MANAGER I	UI PCD SME	UI PCD SME	0.1	0.2
ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	DI SME	DI SME	0.1	0.1
			<b>14.8</b>	<b>21.0</b>

### Training Plan

The vendor and the EDD will develop a strategy that addresses the training needs of users and administrators. The EDD will identify the staff that will attend the training and ensure their availability for the training. As part of the project, the EDD staff will be trained to use and maintain the application.

The AMB has a dedicated training team that provides fundamentals training to all staff. The training will be modified to reflect the Benefit Overpayment Collection specifics. The AMB also provides training to select expert users from the program area who in turn, provide job-specific training to other staff in their respective areas. The expert users also serve as the onsite triage team as part of ongoing system support process. The training consists of computer-based training, manuals, Adobe Connect and hands-on class room training.

No additional training will be necessary for the DIMC staff as remittances for other Tax items are currently scanned at the facility.

No additional training will be necessary for the UI-IAD staff as they will continue to process remittances without coupons and exception processing.

### **Ongoing Maintenance**

The vendor will be responsible for maintaining the system until the system is accepted by the EDD. After the system is accepted, the software maintenance will be included in the ACES maintenance contract and will include all system updates for the proposed solution. The ACES Application Section, which currently maintains the ACES application, will add one position to the section after the BOCA is implemented. The EDD ITB will maintain the interfaces with other systems.

The ACES Application Section currently has a change control process in place, which documents changes to the base system. Changes that have been developed and accepted by the business are reviewed by the ACES Change Control Board prior to migration into the production environment.

### **Information Security**

The EDD uses the National Institute of Standard and Technology (NIST) as the information security framework for the Department. The NIST 800-53 rev 4, Security and Privacy Controls for Federal Information Systems and Organizations is used to ensure that the security requirements and controls are in place for federal information stored on the EDD systems.

Certification and Accreditation of systems will be performed using the NIST guidance for this automation project. The security certification and accreditation process will be in compliance with the NIST Special Publications (SP) 800-37 rev 1, Guide for Applying the Risk Management Framework for Federal Information Systems.

The proposed solution will comply with IRS Publication 1075, Tax Information Security Guidelines For Federal, State and Local Agencies for protecting FTI, and with the Federal Information Security Management Act as the BOCA system uses FTI and UI data, respectively. The FTI standards will only be applied to systems/networks that store, process, and access FTI data components.

The EDD security standards follow federal and state guidance. Additional controls may be required to fulfill the EDD contractual requirements that allow the EDD to access information belonging to other entities. The EDD meets SAM 5300.5, which defines Minimum Security Controls.

Before acceptance of the solution, the solution must undergo a certification process that ensures the system security plan addresses all security controls. Residual risks identified in the certification process must be mitigated or accepted by the solution owner before the solution is placed into production.

The solution must be able to recover from an expected or unexpected system down condition so that the solution is brought back online in a manner that maintains system security and ensures there is no loss of data integrity.

## **Confidentiality**

The proposed solution will deal in large part, with sensitive information for the State of California's UI and DI benefit overpayment customers. Through compliance with the security requirements, the new system will ensure the confidentiality, availability, and integrity of the information it processes. The Benefit Overpayment Collection Application will be consistent with current laws with respect to confidentiality and privacy. Only Benefit Overpayment Collection Section staff are allowed to have access to the application. Managers approve individual access to the application. Procedures on access control are maintained by Benefit Overpayment Collection Section Accounts Receivable Strategy Group. Procedures are reviewed annually.

All non-EDD personnel that are involved with the development of the new system will be required to sign and adhere to the EDD Confidentiality Statement. The proposed solution will comply with the EDD Information Security Policy. In addition, the EDD must adhere to all third party security and confidentiality requirements for data accessed and used as part of the proposed solution.

## **Impact on End-Users**

The proposed solution will impact the Benefit Overpayment Collection Section's end-users, replacing an obsolete system that uses manual and partially automated tools with a modern integrated system with expanded automation capabilities for staff. New business procedures, training plans, and communication strategies will occur as part of this effort. As the ACES is currently in production by the Tax Branch, existing training provided by the AMB will be leveraged to train the Benefit Overpayment Collection Section.

Authenticated customers will be provided access to view and update account information, establish payment plans, and make payments. The environment will be "user-friendly" with intuitive graphical user interfaces and will provide self-service

capabilities that will include general information and frequently asked questions. It will provide the capability to obtain the account access at any time and location convenient to the user.

### **Impact on Existing System**

The proposed solution replaces the stand-alone overpayment applications. The Benefit Overpayment Collection Section will continue to use the existing legacy accounting systems.

### **Consistency with Overall Strategies**

The proposed solution will be consistent with the EDD's strategic goals, improving the way the EDD manages its overpayment accounts receivables and enhances the EDD's ability to enforce the provisions of the CUIC. The systems developed as part of this project will use the EDD's standard methodologies and be built with the EDD-approved tools and technologies.

The existing Benefit Overpayment Collection System is a siloed application. Moving the BOCA into the existing ACES eliminates synchronization issues, reduces data duplication, and unifies the development and support models for the Tax Branch applications. Common business rules are stored and updated in one place.

### **Impact on Current Infrastructure**

Bandwidth utilization constraints, if any, will be determined once detailed designs are completed. The proposed solution will be compatible with the current and proposed infrastructure.

### **Impact on Data Center**

Hardware and software purchased to support the test, development, and pre-production environments of the proposed solution are hosted at the EDD. The production system and internet components are hosted at the State Data Center and the BOCA will make use of the security services available at the OTech and the EDD.

## System Hosting

The proposed solution will be hosted within the existing ACES at the State Data Center. The hosting for the proposed solution is necessary as the solution will be integrated with the ACES. Both the proposed solution and the ACES share production environments, common database, account management, and collection functionality.

OTech Managed Services  Tenant Managed Services  Agency/state Entity  
 Outsourced/Other \_\_\_\_\_

## Backup and Operational Recovery

The proposed solution and the Identity and Access Management servers will require backup. Main storage requirements are met by the EDD. Additional secure offsite storage of tape is done by several areas through contract with private vendors. Data retention will follow the EDD established standards. Documentation and data will be backed up and retained offsite.

## Public Access

The proposed solution will improve public access by adding online access to authorized customers for account payment history, balance information, and online payment options. All access to the application is authenticated (log on) by the IdM before given access to the system. Although customers will be providing information to or accessing information from state databases, customers will not have direct access to any production database. Users will only have access to the Web Proxy Security Server within the State Data Center, and not directly to the Web and application servers. The EDD follows the OTech N-Tier architecture model and the NIST 800-95, Guide to Secure Web Services.

## 5.2 Rationale for Selection

The EDD partnered with FAST Enterprises to develop and implement the ACES solution for the State Employment Tax Program. The ACES is a robust integrated tax accounting system for the audit and collection of employer tax accounts. The system was implemented in 16 months, on time, and within budget for the Tax Branch. The ACES has provided a number of benefits to the EDD including the streamlining of employer registrations, the UI rating process, return and payment processing, revenue accounting, refunds and offsets, and compliance processing. The ACES contains automated tools such as Predictive Analytics software and a robust data warehouse of key data sources used to maximize tax collections. With this system, the EDD has optimized payroll tax accounting and enforcement in the most efficient and effective manner. Additionally, the ACES has benefited California's employers by expanding the e-Services for Business tools allowing employers to manage their accounts by filing forms online, making payments, and viewing account status 24 hours a day, 7 days a

week. Since the implementation of the ACES in January 2011, the state's employment tax program has realized revenue of over \$777 million, directly attributable to the ACES.

The proposed new system will be an extension of the ACES that will expand the existing collection, case management, and automated tools to the Benefit Overpayment Collection Section. The selected vendor is the ideal solution and would provide the best opportunity not only for the EDD to leverage the existing ACES solution, but would also replace the current applications in the least amount of time with the least impact to the EDD resources. The EDD would not be able to handle manual collections, and the proposed solution will reduce the state's vulnerability to risk of system failure. The new system solution provides a number of advantages:

- Collection of \$23 million annually through the issuance of automated bank levies.
- Fastest implementation.
- Proposed solution is currently in successful operation in Michigan.
- Automated posting of 50 percent of paper remittance transactions. One hundred percent of paper remittance transactions are currently manually processed.
- A modern, scalable, and open architecture that would foster greater system efficiency.
- Increases the internal capacity of the Tax Branch staff through cross-training utilizing the same application. Training the Benefit Overpayment Collection Section staff on the same system, allows for flexibility to shift resources based on operational needs and peak workloads.
- Efficient use of the EDD IT resources. The ACES has an existing IT support structure.
- Customer online access to account information.
- New payment options for customers.
- Ability to modify the new system based on business rules.

The proposed solution will automate many functions that are currently manual.

## **Revenue Generation**

**Bank Levies:** The new system will search the Financial Institution Record Match information in the ACES data warehouse and automatically issue bank levies, based upon established business rules. The issuance of bank levies would be a new collection tool used for the collection of benefit overpayments.

**Summary Judgment:** The new system will identify accounts that meet SJ criteria and automatically take appropriate action. The new system will update the judgment data to SCDB/ABAS as they are filed and send data files to the BOPSD and the Sacramento Superior Court.

- **Satisfactions.** The proposed solution will eliminate the manual loading of inventory and processing.

- **Payments to Courts, Private Process Server (PPS), Recorders.** The proposed solution will automate the payment of court and lien release fees.
- **Memorandum of Costs and Credits.** The proposed solution will automate the recovery of fees following an SJ filing.
- **Summary Judgment Renewals.** The proposed system will automatically identify accounts that meet SJ renewal criteria and create and send data files to the Sacramento Superior Court

**Escrow Demands:** The proposed solution will fully automate this process eliminating the manual processing and would monitor escrow demands and maintain escrow related data.

Additional workloads are expected with the implementation of a new system and the automation of new and existing work processes. Any savings or efficiencies will be redirected to the collection program to address the additional workloads.

## **Customer Service**

**Application Failure:** Moving the existing Benefit Overpayment Collection System into an existing system, ACES, that is currently supported by the department thereby minimizing any disruption in service. If the existing Benefit Overpayment Collection System application were to fail and the EDD could not restore the application or data, significant resources would be needed to manually process 700,000 benefit overpayment collection accounts. Should the system fail and the Benefit Overpayment Collection Section staff need to revert to a manual process, less UI, DI, Benefit Audit Fund, and Contingent Fund revenues would be collected.

**Employer Returns:** The proposed solution would eliminate the manual processing of employee status and prioritize by collectability or amount.

**Bankruptcy:** The proposed system will replace the current application's database to monitor and record claimant bankruptcies and capture account transactions for bankrupt claimants on SCDB/ABAS. The proposed system will provide an application to automatically calculate pre and post-petition liability. The proposed system will calculate the claim amount and generate the appropriate forms.

**Deceased:** The proposed solution will automate the activities and update the accounts for the write-off process.

**Payment Remittances:** Fifty percent of paper payment remittances, those received with coupons, will be batched and posted automatically with no manual intervention. The new system will automatically post these payments and make updates, and it will provide an allocation table that can be updated as business

requirements change. Automation of the paper remittances that are received with a payment coupon will result in a savings of 1.1 PY in UI-IAD. The 1.1 PY will be redirected to existing workloads that have steadily increased, such as claimant refunds, and the payment of court fees and lien fees resulting from the Summary Judgment Certificate process.

**Inventory Control:** The proposed solution will include case management functionality for overpayment liability collection accounts. In addition, the proposed solution will maintain historical data and include automatic reminders to prompt staff to take the next appropriate action for assigned workloads.

The proposed solution will offer new functionality that the existing system does not provide:

**Appeal Monitoring:** The proposed system will monitor aged UI appeals and generate a report for follow up.

**Customer Self-Service:** The proposed system will provide self-service capabilities that will include general information and frequently asked questions. Authenticated customers will be provided access to view and update account information, establish payment arrangements, view history, and make payments.

**Direct Debit Electronic Fund Transfer (EFT) Payments:** Claimants will have the ability to have payments for outstanding benefit overpayment liabilities debited from their bank accounts.

**Document Management:** The proposed system will have the ability to generate copies of original documents sent to customers as well as provide staff the ability to customize outgoing correspondence.

## 5.3 Other Alternatives Considered

Rewrite and re-platform the existing application, without additional functionality, using a supported programming language and EDD approved software and hardware.

### 5.3.1 Describing Alternative 1

#### Description

Rewrite the current application as is, with existing limited functionality, utilizing current technology and standards. This alternative would provide the Benefit Overpayment Collection Section an application that is supportable by the ITB staff. This alternative would allow the Benefit Overpayment Collection Section to replace the existing benefit

overpayment collection system and adhere to current ITB standards. The build option would require 36.3 staff over 24 months and additional hardware and software.

## **Costs**

The one-time IT costs to complete this alternative is \$9,777,055 with an annual continuing IT cost of \$514,235 to support the alternate system.

## **Benefits**

Replacing the current system with an EDD-built solution removes the risk of operating a system that is not standardized or supportable.

## **Advantages to this approach**

- Would be controlled internally, with ITB staff having system and program knowledge.
- Least expensive.

## **Disadvantages to this approach**

- A longer development cycle prolongs the risk of system failure to the benefit overpayment collections.
- Does not increase collections.
- Does not automate or add system functionality mainly replicates existing system in .NET.
- Lack of collection tools.
- Staff from the Benefit Overpayment Collection Section will use a different technical solution for collection functions so cross-training will be more difficult.
- ITB programming resources would be engaged on this project, thereby limiting the EDD's ability to respond to other critical program changes and IT resource limitations for ongoing support.
- Continuing reprioritization of the ITB resources for other departmental efforts.
- More difficult to address unexpected mandates, increased costs may be incurred to address legislative mandates.
- Would require a procurement to obtain additional IT resources to augment the EDD IT staff.

## **5.3.2 Describing Alternative 2**

### **Description**

Rewrite the current Benefit Overpayment Collection Section's applications utilizing current technology and standards with functionality that is similar to the proposed

solution. This alternative would require building a separate overpayment collection system, similar to the ACES, in order to add the Benefit Overpayment applications and functionality into the new overpayment collection system. This would allow the Benefit Overpayment Collection Section to replace the current benefit overpayment collection system and adhere to current ITB standards. This build option would require 78.3 staff over 48 months and additional vendor support for programming and testing.

## **Costs**

The one-time IT costs to complete this alternative is \$42,960,103, with an annual continuing IT cost of \$1,155,220 to support the alternate system.

## **Benefits**

Replacing the current system with an EDD-built solution removes the risk of operating a system that is not standardized or supportable.

## **Advantages to this approach**

- Would be controlled internally, with ITB staff having system and program knowledge.
- Will increase collections by \$23 million annually.

## **Disadvantages to this approach**

- A longer development cycle prolongs the risk of system failure to the benefit overpayment collections.
- Most expensive.
- Longest development schedule.
- Significant testing would be required as the proposed solution is a COTS solution that is in operation and the Alternative 2 solution is in an in-house custom built application.
- Proposal may not have the same features as the proposed solution.
- Staff from the Benefit Overpayment Collection Section will use a different technical solution for collection functions so cross-training will be more difficult.
- ITB programming resources would be engaged on this project, thereby limiting the EDD's ability to respond to other critical program changes and IT resource limitations for ongoing support.
- Would require a procurement to obtain additional IT resources to augment the EDD IT staff.

## 6.0 Project Management Plan

The purpose of this Project Management Plan (PMP) is to provide a documented framework for the management and control of the organizational, developmental, and supporting processes necessary for the successful execution of the BOCA project.

This project employs the EDD's Project Management Methodology. This methodology is based on the PMI's Project Management Body of Knowledge and is compatible with the Statewide Information Management Manual (SIMM), Section 17.

During the planning stage of this project, a more detailed comprehensive PMP will be created that will address the following project management disciplines, based on the EDD's project management model and tailored to align with the prime vendor project management methodologies.

- Scope Management Plan
- Configuration/Change Control Plan
- Human Resources Plan
- Communication Plan
- Risk Management Plan
- Cost Management Plan
- Quality Management Plan
- Schedule Management Plan
- Contract Management Plan
- Organizational Change Management Plan
- Maintenance and Operations (M&O) Transition Plan

### 6.1 Project Organization

The EDD staff will lead the project and develop interfaces to existing systems. The Vendor will be contracted to implement the solution.

The contractor will be required to provide a qualified project manager (PM) as part of the vendor's role in development, integration, and implementation. Qualifications will be included in the prime vendor contract. The prime vendor Project Management role will be incorporated and transferred to the FAST Enterprises project manager if the Benefit Overpayment Collection Automation contract is awarded as a non-competitive bid to FAST Enterprises for implementation.

The EDD will facilitate the review of the prime vendor contract by the project stakeholders, Contract Services Group, Fiscal Programs Division, Legal Office, Information Security Office (ISO) and impacted EDD ITB entities identified on the IT Roles Accountabilities Matrix for SDLC type projects for ensuring accuracy or legality of

the contract. The prime vendor contract will be submitted to the CSG for acquiring approvals and contractor signatures per the BOPSD clearance standard.

The BOCA project organization chart includes the business and IT staff assigned to the BOCA project and the external program organizations and state control agencies that are stakeholders in the project.

FIGURE 3 – ORGANIZATION CHART

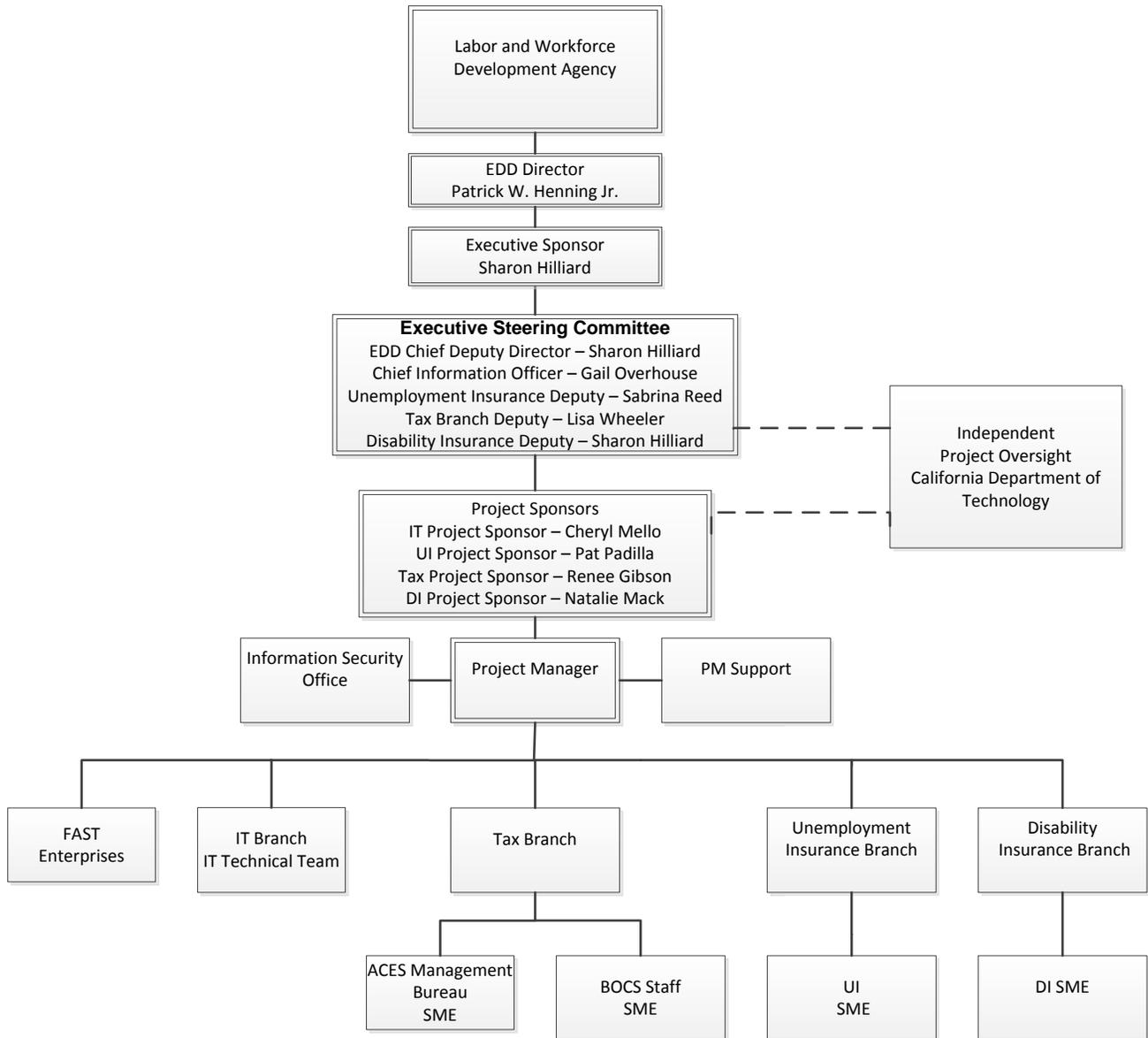


TABLE 6 ONE-TIME PROJECT RESOURCES

Classification	Role	Function	SFY 16-17	SFY 17-18
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	PM Support	Develop SOW	0.2	0.1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	PM Support	Develop Functional Requirements /	0.5	0.4
SENIOR PROGRAMMER ANALYST (SPEC)	PM Support	Develop Detailed Design Documen	0.3	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Design Infrastructure	0.2	0.1
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical ACES	Custom Application Development	0.5	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Setup Infrastructure	0.3	0.2
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical ACES	Testing	0.1	0.4
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical ACES	Deploy to Prod	0	0.3
DATA PROCESSING MANAGER III	ITB PM	Project Manager	1	1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical Testing	Testing	0.1	0.4
STAFF INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical Testing	Testing	0.1	1
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)		scheduling / risk	0.5	0.5
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DB	DBA Mainframe	0.3	0.6
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DB	DBA Mainframe/Scanning	0	0.2
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical Programmer	interface - incoming	0.2	0.5
STAFF PROGRAMMER ANALYST (SPEC)	ITB Technical Programmer	interfaces - outgoing	0.2	0.7
SENIOR INFORMATION SYSTEMS ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0	0.1
SYSTEMS SOFTWARE SPECIALIST II (TECH)	ITB Technical DIMC	DIMC development	0.1	0.2
SYSTEMS SOFTWARE SPEC III (TECH)	ITB Technical DIMC	DIMC development	0.1	0.3
SENIOR PROGRAMMER ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0	0.1
STAFF PROGRAMMER ANALYST (SPEC)	ITB Technical DIMC	DIMC development	0.1	0.2
TAX ADMINISTRATOR I, EDD	TAX DIMC SME	Tax DIMC	0.2	0.6
SENIOR ACCOUNTING OFFICER (SPEC)	TAX DIMC SME	Tax DIMC	0.1	0.9
OFFICE TECHNICIAN (GENERAL)	TAX DIMC SME	Tax DIMC	0.1	0.3
			0	0
TAX ADMINISTRATOR I, EDD	TAX ACES Mgmt Bureau	Tax ACES	1	1
SENIOR TAX COMPLIANCE REPRESENTATIVE (SPEC)	TAX ACES Mgmt Bureau	Tax ACES	1.5	1.5
SENIOR ACCOUNTING OFFICER (SPEC)	TAX ACES Mgmt Bureau	Tax ACES	1	1
TAX ADMINISTRATOR III, EDD	TAX BOCS SME	Tax BOCS	0.2	0.2
TAX ADMINISTRATOR I, EDD	TAX BOCS SME	Tax BOCS	1	2
SENIOR TAX COMPLIANCE REPRESENTATIVE (SPEC)	TAX BOCS SME	Tax BOCS	1.5	1.5
TAX COMPLIANCE REPRESENTATIVE Range C	TAX BOCS SME	Tax BOCS	1.5	1.5
			0	0
TAX ADMINISTRATOR I, EDD	UI IAD SME	UI IAD SME	0.5	0.5
SENIOR ACCOUNTING OFFICER (SPEC)	UI IAD SME	UI IAD SME	0.5	0.5
ACCOUNTING OFFICER (SPEC)	UI IAD SME	UI IAD SME	0.6	1.5
ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	UI PCD SME	UI PCD SME	0.1	0.2
STAFF SERVICES MANAGER I	UI PCD SME	UI PCD SME	0.1	0.2
ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	DI SME	DI SME	0.1	0.1
			<b>14.8</b>	<b>21.0</b>

## Roles and Responsibilities

The table below describes key roles

TABLE 7 – ROLES AND RESPONSIBILITIES

Role	Responsibility
<b>Labor and Workforce Development Agency</b>	<ul style="list-style-type: none"> <li>• External oversight</li> <li>• Stakeholder</li> </ul>
<b>California Department of Technology</b>	<ul style="list-style-type: none"> <li>• External independent project oversight</li> <li>• Stakeholder</li> </ul>
<b>EDD Executive and Project Sponsor</b>	<ul style="list-style-type: none"> <li>• Supply/coordinate funding</li> <li>• Provide program resources</li> <li>• Provide oversight and make decisions</li> <li>• Accept final project deliverables</li> </ul>
<b>Executive Steering Committee</b>	<ul style="list-style-type: none"> <li>• Executive oversight</li> <li>• Raise federal, state agency, or departmental strategies or decisions that could impact project</li> <li>• Make the final decision on change requests and escalated issues. Decisions may influence scope, schedule and resources</li> <li>• Resolve program-related issues</li> </ul>
<b>Project Sponsors</b>	<ul style="list-style-type: none"> <li>• Provides recommendations for key business strategies</li> <li>• Provides formal management of the project's scope</li> <li>• Ensures the project has the resources required to effectively and efficiently meet their objectives</li> <li>• Resolves or escalates project risks and issues to the Executive Steering Committee</li> <li>• Provides guidance and direction on overall approach to ensure that the project is in alignment with the strategic direction of the EDD project portfolio</li> <li>• Reviews and approves formal project reports prior to submittal to oversight and control agencies</li> <li>• Serves as the primary interface to the Department of Technology and other control agencies</li> <li>• Accept final project deliverables</li> </ul>
<b>Information Security Office</b>	<ul style="list-style-type: none"> <li>• Information security SME</li> <li>• Establishes security requirements and standards</li> </ul>

<p><b>Project Manager</b></p>	<ul style="list-style-type: none"> <li>• Overall project responsibility</li> <li>• Manages and directs project staff</li> <li>• Manages baselines</li> <li>• Manages and directs all IT project activities</li> <li>• Ensures all IT project processes are being followed</li> <li>• Ensures project goals and objectives are met</li> <li>• Identify and manage project risks (mitigation and/or contingency plans)</li> <li>• Facilitate issue resolution</li> <li>• Provide project communications</li> <li>• Escalate reportable issues, risks and change requests to the appropriate level</li> <li>• Create and maintain project schedule</li> <li>• Endorses application design as ready for customer sponsor approval</li> <li>• Endorses the application as ready for customer sponsor approval</li> <li>• Ensure that products and processes meet quality standards</li> <li>• Responsible for managing project budget</li> <li>• Responsible for management of all project day to day operations, and project scope management</li> <li>• Determine defects to be fixed prior to implementation</li> </ul>
<p><b>Project Support</b></p>	<ul style="list-style-type: none"> <li>• Project administrative support</li> <li>• Develop project deliverables</li> <li>• Define, document, and manage requirements</li> <li>• Establish requirements baseline</li> <li>• Conduct joint application development sessions with SMEs to solicit requirements</li> <li>• Maintain requirements documents in project repositories</li> <li>• Coordinates approval of contract deliverables</li> <li>• Assist in the development and approval of contract amendments</li> <li>• Tracks burn rate for all vendor contracts and notifies the PM as needed</li> </ul>

<b>IT Technical Team</b>	<ul style="list-style-type: none"> <li>• Responsible for the planning and coordination of activities associated with the technical environments that are used within the project.</li> <li>• Validate the appropriate configuration and access to the production environment Manage design and change control processes.</li> <li>• Ensure organization change processes include consideration of changes for new system.</li> <li>• Coordinate and direct assigned program staff that support testing, training and organizational change efforts.</li> <li>• Responsible to design and validate system reports and screens.</li> <li>• Develop the Functional and Acceptance Testing Plan</li> <li>• Oversee the development of necessary testing scenarios and scripts.</li> <li>• Schedule and direct the functional testers</li> <li>• Coordinate the reporting, tracking and closure of incidents</li> <li>• Responsible for code development, unit testing and integration testing.</li> <li>• Responsible for the technical specification documents</li> <li>• Develop the interface requirements in conjunction with the vendor</li> <li>• Report status/progress on activities</li> <li>• Support the data conversion planning and execution efforts</li> <li>• Assist with necessary security audits</li> <li>• Provide support on technical activities and environments associated with the project</li> <li>• Provide input for the project plans</li> <li>• Perform functions/activities as assigned by the PM and defined within the contract</li> <li>• Provide input and oversight for analysis, design, develop, testing and implementing proposed solution</li> </ul>
<b>ACES Management Bureau SME</b>	<ul style="list-style-type: none"> <li>• Tax Branch ACES SMEs</li> <li>• Training</li> <li>• Provide input for design, testing and implementing the proposed solution</li> </ul>
<b>Program Support and Subject Matter Experts</b>	<ul style="list-style-type: none"> <li>• Business requirements, workflow and business rules SME</li> <li>• Endorse business requirements, business rules, workflow and data requirements as ready for baseline</li> </ul>

<b>Contract Management</b>	<ul style="list-style-type: none"> <li>• Track the delivery and coordinate acceptance of all contracted deliverables from all vendors responsible to the project.</li> <li>• Approve invoices for payment based on accepted deliverables and contract provisions.</li> <li>• Serve as the internal &amp; external Single Point of Contact (conduit for open communication) for all project vendors for resolution of issues, questions, or the provision of information or materials relevant to the project.</li> <li>• Track and process all changes to contract provisions or the Statement of Work.</li> </ul>
<b>Project Oversight</b>	<ul style="list-style-type: none"> <li>• Evaluate project activities as they relate to project management practices</li> <li>• Identify and communicate risks and issues, and escalate to executive management as necessary.</li> <li>• Identify and monitor repeatable best practices to utilize for other projects</li> </ul>

## 6.2 Project Plan

### 6.2.1 Project Phasing

The proposed solution will require the vendor to work closely with the EDD to develop a comprehensive approach that will ensure successful design, integration, development, configuration, testing, deployment, and staff training for the project. The prime vendor may elect to employ a waterfall, agile, or other approach for service delivery as long as the selected methodology aligns and is in compliance with the EDD SDLC phase Gate standard that is published at the time of project initiation. Published EDD SDLC standards are located on the EDD IT Service Delivery Discipline (SDD) Portal.

This project plan aligns with the EDD SDLC standard project phases and will adhere to the exit criteria for each phase. If a prime vendor agile methodology is adopted, some activities may be performed iteratively in smaller incremental slices on a more frequent basis concurrently across the project phases. Exit criteria for each phase will consist of the completion of document and/or task deliverables that varies with each service discipline. When the EDD PM believes a project phase for a Systems Development type project is complete, the EDD PM will request a Phase Gate Review with the Enterprise Release Management contact and the appropriate stakeholders. A phase gate review signoff will be required before a phase may be considered complete by the EDD.

The BOCA project phases are listed below.

TABLE 8 – PHASES

Project Phase	Phase Deliverables
Phase I – Initiating	<ul style="list-style-type: none"> <li>➤ Project Charter</li> <li>➤ High Level Scope Document</li> <li>➤ Parent Request for Change (RFC)</li> <li>➤ Project SharePoint site</li> <li>➤ CMS Codes</li> <li>➤ Request for Proposal, Contractor Contracts</li> </ul>
Phase II - Planning	<ul style="list-style-type: none"> <li>➤ Amended Project Charter if applicable</li> <li>➤ Project Management Plan(s)</li> <li>➤ Project Work Breakdown Structure (WBS)</li> <li>➤ Current MS Project Schedule</li> <li>➤ Current Staffing Plan</li> <li>➤ Project Support Technical environment</li> <li>➤ Project work environment facilities in place</li> <li>➤ Project Budget report</li> </ul>
Phase III - Requirements	<ul style="list-style-type: none"> <li>➤ Requirements Document</li> <li>➤ Privacy Impact Analysis</li> <li>➤ Preliminary System Security Plan</li> <li>➤ Development environment</li> <li>➤ Current Project change management log and RFCs</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>
Phase IV - Design	<ul style="list-style-type: none"> <li>➤ Preliminary Design Report</li> <li>➤ Architecture Document</li> <li>➤ Detailed System Design</li> <li>➤ System Description Document</li> <li>➤ Development Specification documents</li> <li>➤ Interface Inventory</li> <li>➤ Physical Models</li> <li>➤ Requirements Traceability to/from design &amp; design components</li> <li>➤ Draft Master Test Plan</li> <li>➤ Draft Functional Test Plan</li> <li>➤ Draft Performance Test Plan</li> <li>➤ Software procurement list</li> <li>➤ Security Plan</li> <li>➤ Logical Models</li> <li>➤ Administrative tasks for development and test environments</li> <li>➤ Tasking agreements with Enterprise Portal Services</li> <li>➤ Tasking agreements with Enterprise Content management</li> <li>➤ Current Project change management log and RFCs</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>
Phase V - Develop	<ul style="list-style-type: none"> <li>➤ Test scripts/scenarios entered in Hewlett Packard Quality Center</li> <li>➤ Requirements traced to test scripts/scenarios</li> <li>➤ Unit and integration test results recorded</li> <li>➤ Master Test Plan</li> <li>➤ Functional Test Plan</li> <li>➤ Non-Functional Test Plan</li> <li>➤ Transition Plan</li> <li>➤ Enterprise Testing Office (ETO) confirm Customer Acceptance Test results</li> <li>➤ Current Project change management log and RFCs</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>

Project Phase	Phase Deliverables
Phase VI - Test	<ul style="list-style-type: none"> <li>➤ Successful test results recorded per project test plan for Functional, Non-Functional testing, system, interface, User/Customer Acceptance, penetration and end to end</li> <li>➤ Formal Customer System Acceptance</li> <li>➤ Implementation Plan</li> <li>➤ Knowledge Transfer Plan</li> <li>➤ Disaster Recovery Plan/Business Continuity Plan tested &amp; approved</li> <li>➤ Current Project change management log and RFCs</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>
Phase VII - Implement	<ul style="list-style-type: none"> <li>➤ Readiness Review Board approval</li> <li>➤ M&amp;O Plan</li> <li>➤ Updated Security Plan ISO approval certification</li> <li>➤ Customer Go-Live approval</li> <li>➤ Production Walkthrough</li> <li>➤ Transition plan for customer help desk support</li> <li>➤ Configuration &amp; Recovery plans to ITB Production Support Division (PSD) &amp; Information Security Office support groups</li> <li>➤ Current Project change management log and RFCs</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>
Phase VIII – Warranty/Stabilize	<ul style="list-style-type: none"> <li>➤ Formal Product Acceptance</li> <li>➤ Lessons Learned document</li> <li>➤ Defect list</li> <li>➤ Project Closure checklist completed</li> <li>➤ Incident Metrics and data report</li> <li>➤ Current Project change management log and RFC</li> <li>➤ Updated WBS, Schedule, Staffing Plan, and Budget</li> </ul>
Phase IX - Close	<ul style="list-style-type: none"> <li>➤ Administrative Closure of contractor contracts</li> <li>➤ Post Implementation Evaluation Report (PIER)</li> </ul>

## 6.2.2 Project Schedule

The project schedule lists high level project milestones that will require approvals at key points throughout the project lifecycle. The approval authority for these key milestones will adhere to the IT Roles Accountabilities Matrix for SDLC type projects standard.

In addition to the Key Milestones listed here, the EDD PM will be overseeing the creation of ongoing project management control deliverables for status reports & performance metrics, updates to any initiate or plan deliverables, the Issue/Risk Register, and the project change control log for communications and approvals. Approved deliverables will be posted to the project SharePoint site as required by the Gate approval criteria. The following is a high level project schedule:

TABLE 9 – PROJECT SCHEDULE

BOCA Schedule			
Task	Start	Finish	Duration
Project Initiation	Jul 16	Jul 16	1 Month
Interagency Agreement for IPOC	Jul 16	Jul 16	1 Month
NCB Development	Jul 16	Aug 16	2 Months
<sup>(1)</sup> Includes SOW Development			
Contract Amendment Development for Scanning of Payment Remittances	Jul 16	Aug 16	2 Months
Planning Phase	Jul 16	Sep 16	3 Months
Requirements Phase	Aug 16	Oct 16	3 Months
NCB Process STPD	Sep 16	Nov 16	3 Months
MSA for IV&V Services	Sep 16	Oct 16	2 Months
Contract Amendment Process for Scanning System Modifications	Oct 16	Nov 16	2 Months
CMAS Programmer for Interface Development	Oct 16	Nov 16	2 Months
Contract Amendment Awarded for Scanning System Modifications	Dec 16	Dec 16	1 Month
NCB Contract Awarded - Vendor Contract Signed and Vendor on Board	Jan 17	Jan 17	1 Month
Design Phase	Jan 17	Apr 17	4 Months
Development Phase	May 17	Dec 17	8 Months
<sup>(2)</sup> Includes Data Cleansing and Conversion			
<sup>(3)</sup> Existing and New Interfaces			
Testing Phase	Jan 18	Apr 18	4 Months
System Testing			
Interface Testing			
User Acceptance Testing			
Penetration Testing			
<sup>(4)</sup> Training	Mar 18	Apr 18	2 Months
Implementation - Soft Launch	May 18	May 18	1 Month
<sup>(5)</sup> System Acceptance	May 18	Jun 18	2 Months
Implementation - Full Rollout	Jun 18	Jun 18	1 Month
Project Stabilization	Jul 18	Jan 19	6 Months
Warranty	Jul 18	Sep 18	3 Months
Project Closeout	Jan 19	Feb 19	2 Months
M & O		Ongoing	

Assumptions:

BOCA will require a BCP in SFY 2016/17 and SFY 2017/18

(1) Current business requirements are sufficient for NCB procurement and SOW development

(2) Data conversion included in the estimate for DDI

(3) All interfaces existing and new are included in the 12 month DDI time frame

- (4) Business program training will occur prior to implementation. Training includes modification of ACES Bureau materials.
- (5) System Acceptance will commence when rollout is completed and the system runs defect-free for 60-calendar days.

The EDD currently has the ACES application and existing infrastructure. Roll out includes 80 staff, one rollout for all functionality of system (BOCA).

Key Vendor personnel are knowledgeable in the EDD systems and architecture

### **6.3 Authorization Required**

The Department of Technology approval is required for this FSR.

## 7.0 Risk Register

This project employs the CA Project Management Methodology (CA-PMM) for Risk Management. The methodology is based on the PMI's PMBOK® and is compatible with the SIMM, Section 17.

Below is the risk register for the project.

TABLE 10 – RISK REGISTER

# ID	Category	Summary	Risk Event Description Impact to Project	Priority (Risk Level)	Mitigation / Avoidance/ Transference Preventive Measures	Contingency Plan	Triggers	Next Review Date
1	Budget/ Financial	If an adequate budget is not allocated to fund the project due to state budget shortfalls, the project cannot move forward with current scope.	Project cannot move forward as proposed in the FSR.	1 (High)	Executive sponsors will identify alternate funding sources or establish project scope priorities.	Adjust project scope to focus on priorities identified in mitigation plan.	CA State Fiscal Year (SFY 2016/17) state budget is released.	Project start date
2	Procurement	If procurement process exceeds schedule, then project implementation will be delayed.	Project delayed.	5 (Low)	Involve DGS, the EDD's BOPSD and Legal in procurement process.	Adjust project schedule	End of planning phase.	Project start date
3	Personnel/ Turnover	If mandated reduction of state staff causes an unplanned turnover or disruption of EDD project staff, then project timeframe may incur a deadline slippage.	Deadline slippage.	7 (Low)	Require project managers to identify and train backup resources for key staff positions.	EDD project sponsor requests departmental waiver for state mandated reduction. Hire contract staff; recruit and train alternate staff; extend schedule.	Close upon identification of backup resource for each key position.	Project start date
4	Personnel/ Turnover	If mandated policies to offset budget deficits (i.e. pay cuts, retirement benefits, etc.) causes an unplanned turnover or disruption of EDD project staff due to early retirement of staff, then project timeframe may incur a deadline slippage.	Deadline slippage.	2 (Low)	Require project managers to identify and train backup resources for key staff positions.	Hire contract staff recruit and train alternate staff; extend schedule.	Close upon identification of backup resource for each key position.	Project start date

# ID	Category	Summary	Risk Event Description Impact to Project	Priority (Risk Level)	Mitigation / Avoidance/ Transference Preventive Measures	Contingency Plan	Triggers	Next Review Date
5	Plan/Schedule	If schedule is not realistic, then production date may be delayed resulting in budget overrun.	Missed deadlines, project delays. Possible budget overrun in order to increase resource levels.	9 (Low)	Vendor to review project schedule; Include "contingency time" as needed throughout the project. Use incremental development methodology so the project team is aware sooner. Re-evaluate schedule status at weekly status meeting and make changes as appropriate. Secure adequate resources for the project.	Write a Special Project Report (SPR) to extend the project.	Reference project schedule milestones.	Project start date
6	Vendor Performance	If on-site vendor staff resign or other vendor workforce disruption occurs, then project timeframe may incur a deadline slippage.	Deadline slippage.	9 (Low)	Specify the minimum number of vendor staff to be on the project. EDD must approve new staff. Include in contract language.	Add EDD ITB staff or contract staff to project. Enforce contract.	Keep open until project acceptance.	Project start date
7	Vendor Performance	If vendor fails to meet milestones as contracted, then project timeframe may incur a deadline slippage.	Deadline slippage.	9 (Low)	Use iterative & incremental methodology. Include holdbacks in contract payments tied to deliverables. Track using IV&V to monitor.	Add the EDD ITB staff or contract staff to project. Enforce contract.	Start date for infrastructure build.	Project start date
8	Architecture	If the EDD ITB infrastructure that supports ACES does not have sufficient capacity to meet the project requirements then additional costs may be incurred to expand current infrastructure.	Delay schedule; increase costs.	4 (Low)	Ensure the EDD ITB Enterprise and/or ACES Architect participate in contract process and design review.	Acquire additional funding for infrastructure and adjust design as necessary.	Start date for infrastructure build.	Project start date

# ID	Category	Summary	Risk Event Description Impact to Project	Priority (Risk Level)	Mitigation / Avoidance/ Transference Preventive Measures	Contingency Plan	Triggers	Next Review Date
9	System Security	If vendor policies and/or product capabilities cannot adhere to EDD or external third-party security requirements, then project partners may not be willing to share data.	Partners may not be willing to share data.	9 (Low)	Specify in the project management planning phase that confidentiality, and non-disclosure agreements such as training; encrypted remote access; and security levels are part of contractual agreements. Review existing MOU's to identify security requirements between interfacing external systems in the project planning phase. Hold configuration definition meetings prior to design phase to communicate and agree on data security approach.	Delay implementation of security sensitive project features and extend schedule to explore and implement an alternative security approach that will satisfy 3rd party stakeholders concerns. Replace or add 3rd party vendor products that will enable compatibility to the BOCA vendor product security policies and configurations.	Start of design phase	Project start date
10	User Involvement	If business user staff receive inadequate training of the new technology introduced with this project, then project acceptance of solution may be delayed.	Inadequate training of business user staff may delay staff acceptance of solution.	9 (Low)	Mandate training and knowledge transfer in contract. Validate knowledge transfer has occurred during acceptance testing with supporting metrics. Develop training plan that outlines specific skill sets. Work with the vendor to plan, coordinate, and deploy business training to Tax Branch staff.	Enforce the contract	End of system testing phase.	Project start date
11	Environment	If the ACES – SCDB interface cannot meet the project timeline, other phases will be impacted.	Delay schedule; increase costs	2 (High)	Leverage existing SCDB web services for this effort. Obtain external resources to assist EDD staff with this effort.	Acquire additional funding for external resources to assist EDD.	End of planning phase.	Project start date
12	Management Processes	If changes in the work model causes problems or delays in the implementation of the project due to resistance from stakeholders then the scope of the project will be impacted.	The posting of overpayment remittances currently performed by the UI-IAD will be automated by the proposed solution.	1 (High)	Assign a UI-IAD SPOC to participate early in the planning and contract development phases.	Escalate to executive sponsors if necessary. Reduce scope of project.	End of planning phase.	Project start date

# ID	Category	Summary	Risk Event Description Impact to Project	Priority (Risk Level)	Mitigation / Avoidance/ Transference Preventive Measures	Contingency Plan	Triggers	Next Review Date
13	Sponsorship Commitment	If there is a change in executive management team with different priorities then project timeframe may incur a deadline slippage.	Deadline slippage.	1 (Medium)	Develop marketing presentations and discuss on-going project priorities with executive management team.	Extend schedule or cancel project.	Completion of presentation and buyoff from executive team.	Project start date
14	Procurement	If the NCB is not approved by Department of General Services or the Department of Technology the scope will be impacted	Project Cancellation	9(Low)	Meet with control agencies to identify issues and resolve.	Extend schedule.	Beginning of planning phase.	Project start date
15	Structure of Installed System	Existing Benefit Overpayment Collection System fails prior to implementation	Project slippage	5(Medium)	Ensure adequate staffing is available to maintain existing system during project.	Extend schedule.	End of planning phase.	Project start date

## 8.0 Economic Analysis Worksheets (EAWs)

### 8.1 Existing System/Baseline Cost Worksheet

SIMM 20C30C, Rev. 03/2011

EXISTING SYSTEM/BASELINE COST WORKSHEET

Department: Employment Development Depar

All costs to be shown in whole (unrounded) dollars.

Date Prepared: 05-01-15

Project: BOCA

	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		FY 2020/21		TOTAL	
	PYs	Amts	PYs	Amts								
<b>Continuing Information</b>												
<b>Technology Costs</b>												
Staff (salaries & benefits)	2.1	242,212	2.1	242,212	2.1	242,212	2.1	242,212	2.1	242,212	10.5	1,211,060
Hardware Lease/Maintenance		2,400		2,400		2,400		2,400		2,400		12,000
Software Maintenance/Licenses		6,000		6,000		6,000		6,000		6,000		30,000
Contract Services		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other		0		0		0		0		0		0
<b>Total IT Costs</b>	<b>2.1</b>	<b>250,612</b>	<b>10.5</b>	<b>1,253,060</b>								
<b>Continuing Program Costs:</b>												
Staff	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	1640.0	132,674,635
Other		0		0		0		0		0		0
<b>Total Program Costs</b>	<b>328.0</b>	<b>26,534,927</b>	<b>1640.0</b>	<b>132,674,635</b>								
<b>TOTAL EXISTING SYSTEM COSTS</b>	<b>330.1</b>	<b>26,785,539</b>	<b>1650.5</b>	<b>133,927,695</b>								

## 8.2 Proposed Alternative Cost Worksheet

SIMM 20C30C, Rev. 03/2011

BOCA

Date Prepared: 05-01-15

Department: Employment Development Department All Costs Should be shown in whole (unrounded) dollars.

Project: BOCA

	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
<b>One-Time IT Project Costs</b>										
Staff (Salaries & Benefits)	14.8	1,616,380	21.0	2,277,867	0.0	0	0.0	0	35.8	3,894,247
Hardware Purchase		0		281,600		0		0		281,600
Software Purchase/License		200,000		390,000		0		0		590,000
Telecommunications		0		0		0		0		0
Contract Services										
Software Customization		500,000		3,500,000		0		0		4,000,000
Project Management		0		0		0		0		0
Project Oversight		112,560		112,560		0		0		225,120
IV&V Services		464,400		464,400		0		0		928,800
Other Contract Services		100,000		200,000		0		0		300,000
TOTAL Contract Services		1,176,960		4,276,960		0		0		5,453,920
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		356,014		505,155		0		0		861,169
<b>Total One-time IT Costs</b>	<b>14.8</b>	<b>3,349,354</b>	<b>21.0</b>	<b>7,731,582</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>35.8</b>	<b>11,080,936</b>
<b>Continuing IT Project Costs</b>										
Staff (Salaries & Benefits)	0.0	0	0.0	0	15.4	1,553,757	2.5	290,699	17.9	1,844,456
Hardware Lease/Maintenance		0		0		0		0		0
Software Maintenance/Licenses		0		0		1,020,000		1,020,000		2,040,000
Telecommunications		0		0		0		0		0
Contract Services		0		0		35,000		35,000		70,000
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		0		0		0		0		0
<b>Total Continuing IT Costs</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>15.4</b>	<b>2,608,757</b>	<b>2.5</b>	<b>1,345,699</b>	<b>17.9</b>	<b>3,954,456</b>
<b>Total Project Costs</b>	<b>14.8</b>	<b>3,349,354</b>	<b>21.0</b>	<b>7,731,582</b>	<b>15.4</b>	<b>2,608,757</b>	<b>2.5</b>	<b>1,345,699</b>	<b>53.7</b>	<b>15,035,392</b>
<b>Continuing Existing Costs</b>										
Information Technology Staff	2.1	242,211	2.1	242,211	0.0	0	0.0	0	4.2	484,422
Other IT Costs		8,400		8,400		0		0		16,800
<b>Total Continuing Existing IT Costs</b>	<b>2.1</b>	<b>250,611</b>	<b>2.1</b>	<b>250,611</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>4.2</b>	<b>501,222</b>
Program Staff	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	1312.0	106,139,708
Other Program Costs		0		0		0		0		0
<b>Total Continuing Existing Program Costs</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>1312.0</b>	<b>106,139,708</b>
<b>Total Continuing Existing Costs</b>	<b>330.1</b>	<b>26,785,538</b>	<b>330.1</b>	<b>26,785,538</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>1316.2</b>	<b>106,640,930</b>
<b>TOTAL ALTERNATIVE COSTS</b>	<b>344.9</b>	<b>30,134,892</b>	<b>351.1</b>	<b>34,517,120</b>	<b>343.4</b>	<b>29,143,684</b>	<b>330.5</b>	<b>27,880,626</b>	<b>1369.9</b>	<b>121,676,322</b>
INCREASED REVENUES		0		0		23,000,000		23,000,000		46,000,000

### 8.3 Alternative 1 Cost Worksheet

SIMM 20C30C, Rev. 03/2011

EDD build like for like

Date Prepared: 05-01-15

Department: Employment Development Department All Costs Should be shown in whole (unrounded) dollars.

Project: BOCA

	FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
<b>One-Time IT Project Costs</b>								
Staff (Salaries & Benefits)	16.7	1,926,656	19.6	2,134,984	0.0	0	36.3	4,061,640
Hardware Purchase		46,300		0		0		46,300
Software Purchase/License		64,800		0		0		64,800
Telecommunications		0		0		0		0
Contract Services								
Software Customization		2,400,000		2,080,000		0		4,480,000
Project Management		0		0		0		0
Project Oversight		112,560		112,560		0		225,120
IV&V Services		0		0		0		0
Other Contract Services		10,000		10,000		0		20,000
TOTAL Contract Services		2,522,560		2,202,560		0		4,725,120
Data Center Services		3,600		3,600		0		7,200
Agency Facilities		0		0		0		0
Other		401,719		470,276		0		871,995
<b>Total One-time IT Costs</b>	<b>16.7</b>	<b>4,965,635</b>	<b>19.6</b>	<b>4,811,420</b>	<b>0.0</b>	<b>0</b>	<b>36.3</b>	<b>9,777,055</b>
<b>Continuing IT Project Costs</b>								
Staff (Salaries & Benefits)	0.0	0	0.0	0	4.1	483,735	4.1	483,735
Hardware Lease/Maintenance		0		0		30,500		30,500
Software Maintenance/Licenses		0		0		0		0
Telecommunications		0		0		0		0
Contract Services		0		0		0		0
Data Center Services		0		0		0		0
Agency Facilities		0		0		0		0
Other		0		0		0		0
<b>Total Continuing IT Costs</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>4.1</b>	<b>514,235</b>	<b>4.1</b>	<b>514,235</b>
<b>Total Project Costs</b>	<b>16.7</b>	<b>4,965,635</b>	<b>19.6</b>	<b>4,811,420</b>	<b>4.1</b>	<b>514,235</b>	<b>40.4</b>	<b>10,291,290</b>
<b>Continuing Existing Costs</b>							0.0	0
Information Technology Staff	2.1	242,212	2.1	242,212	0.0	0	4.2	484,424
Other IT Costs		8,400		8,400		0		16,800
<b>Total Continuing Existing IT Costs</b>	<b>2.1</b>	<b>250,612</b>	<b>2.1</b>	<b>250,612</b>	<b>0.0</b>	<b>0</b>	<b>4.2</b>	<b>501,224</b>
Program Staff	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	984.0	79,604,781
Other Program Costs		0		0		0		0
<b>Total Continuing Existing Program Costs</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>328.0</b>	<b>26,534,927</b>	<b>984.0</b>	<b>79,604,781</b>
<b>Total Continuing Existing Costs</b>	<b>330.1</b>	<b>26,785,539</b>	<b>330.1</b>	<b>26,785,539</b>	<b>328.0</b>	<b>26,534,927</b>	<b>988.2</b>	<b>80,106,005</b>
<b>TOTAL ALTERNATIVE COSTS</b>	<b>346.8</b>	<b>31,751,174</b>	<b>349.7</b>	<b>31,596,959</b>	<b>332.1</b>	<b>27,049,162</b>	<b>1028.6</b>	<b>90,397,295</b>
INCREASED REVENUES		0		0		0		0

# 8.4 Alternative 2 Cost Worksheet

SIMM 20C30C, Rev. 03/2011

EDD build enhanced functionality

Date Prepared: 05-01-15

Department: Employment Development Department All Costs Should be shown in whole (unrounded) dollars.  
 Project: BOCA

	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		FY 2020/21		TOTAL	
	PYs	Amts	PYs	Amts								
<b>One-Time IT Project Costs</b>												
Staff (Salaries & Benefits)	18.8	2,117,653	18.8	2,123,748	19.6	2,155,976	21.1	2,354,079	0.0	0	78.3	8,751,456
Hardware Purchase		94,900		0		0		0		0		94,900
Software Purchase/License		644,800		0		10,000		10,000		0		664,800
Telecommunications		0		0		0		0		0		0
<b>Contract Services</b>												
Software Customization		8,256,000		7,936,000		7,520,000		7,360,000		0		31,072,000
Project Management		0		0		0		0		0		0
Project Oversight		112,560		112,560		112,560		112,560		0		450,240
IV&V Services		0		0		0		0		0		0
Other Contract Services		0		0		0		0		0		0
<b>TOTAL Contract Services</b>		8,368,560		8,048,560		7,632,560		7,472,560		0		31,522,240
Data Center Services		10,800		10,800		10,800		10,800		0		43,200
Agency Facilities		0		0		0		0		0		0
Other		452,234		452,234		471,478		507,561		0		1,883,507
<b>Total One-time IT Costs</b>	<b>18.8</b>	<b>11,688,947</b>	<b>18.8</b>	<b>10,635,342</b>	<b>19.6</b>	<b>10,280,814</b>	<b>21.1</b>	<b>10,355,000</b>	<b>0.0</b>	<b>0</b>	<b>78.3</b>	<b>42,960,103</b>
<b>Continuing IT Project Costs</b>												
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	5.4	642,720	5.4	642,720
Hardware Lease/Maintenance		0		0		0		0		457,500		457,500
Software Maintenance/Licenses		0		0		0		0		20,000		20,000
Telecommunications		0		0		0		0		0		0
Contract Services		0		0		0		0		35,000		35,000
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other		0		0		0		0		0		0
<b>Total Continuing IT Costs</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>5.4</b>	<b>1,155,220</b>	<b>5.4</b>	<b>1,155,220</b>
<b>Total Project Costs</b>	<b>18.8</b>	<b>11,688,947</b>	<b>18.8</b>	<b>10,635,342</b>	<b>19.6</b>	<b>10,280,814</b>	<b>21.1</b>	<b>10,355,000</b>	<b>5.4</b>	<b>1,155,220</b>	<b>83.7</b>	<b>44,115,323</b>
<b>Continuing Existing Costs</b>												
Information Technology Staff	2.1	242,212	2.1	242,212	2.1	242,212	2.1	242,212	0.0	0	8.4	968,848
Other IT Costs		8,400		8,400		8,400		8,400		0		33,600
<b>Total Continuing Existing IT Costs</b>	<b>2.1</b>	<b>250,612</b>	<b>2.1</b>	<b>250,612</b>	<b>2.1</b>	<b>250,612</b>	<b>2.1</b>	<b>250,612</b>	<b>0.0</b>	<b>0</b>	<b>8.4</b>	<b>1,002,448</b>
Program Staff	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	1640.0	132,674,635
Other Program Costs		0		0		0		0		0		0
<b>Total Continuing Existing Program Costs</b>	<b>328.0</b>	<b>26,534,927</b>	<b>1640.0</b>	<b>132,674,635</b>								
<b>Total Continuing Existing Costs</b>	<b>330.1</b>	<b>26,785,539</b>	<b>330.1</b>	<b>26,785,539</b>	<b>330.1</b>	<b>26,785,539</b>	<b>330.1</b>	<b>26,785,539</b>	<b>328.0</b>	<b>26,534,927</b>	<b>1648.4</b>	<b>133,677,083</b>
<b>TOTAL ALTERNATIVE COSTS</b>	<b>348.9</b>	<b>38,474,486</b>	<b>348.9</b>	<b>37,420,881</b>	<b>349.7</b>	<b>37,066,353</b>	<b>351.2</b>	<b>37,140,539</b>	<b>333.4</b>	<b>27,690,147</b>	<b>1732.1</b>	<b>177,792,406</b>
INCREASED REVENUES		0		0		0		0		23,000,000		23,000,000

# 8.5 Economic Analysis Summary Worksheet

SIMM 20C30C, Rev. 03/2011

## ECONOMIC ANALYSIS SUMMARY

Date Prepared: 05-01-15

Department: Employment Development Department  
Project: BOCA

All costs to be shown in whole (unrounded) dollars.

	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		FY 2020/21		TOTAL	
	PYs	Amts	PYs	Amts								
<b>EXISTING SYSTEM</b>												
Total IT Costs	2.1	250,612	2.1	250,612	2.1	250,612	2.1	250,612	2.1	250,612	10.5	1,253,060
Total Program Costs	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	328.0	26,534,927	1640.0	132,674,635
Total Existing System Costs	330.1	26,785,539	330.1	26,785,539	330.1	26,785,539	330.1	26,785,539	330.1	26,785,539	1650.5	133,927,695
<b>PROPOSED ALTERNATIVE</b>												
<b>BOCA</b>												
Total Project Costs	14.8	3,349,354	21.0	7,731,582	15.4	2,608,757					53.7	15,035,392
Total Cont. Exist. Costs	330.1	26,785,538	330.1	26,785,538	328.0	26,534,927					1316.2	106,640,930
Total Alternative Costs	344.9	30,134,892	351.1	34,517,120	343.4	29,143,684					1369.9	121,676,322
COST SAVINGS/AVOIDANCES	(14.8)	(3,349,353)	(21.0)	(7,731,581)	(13.3)	(2,358,145)					280.6	12,251,373
Increased Revenues		0		0		23,000,000						46,000,000
Net (Cost) or Benefit	(14.8)	(3,349,353)	(21.0)	(7,731,581)	(13.3)	20,641,855					280.6	58,251,373
Cum. Net (Cost) or Benefit	(14.8)	(3,349,353)	(35.8)	(11,080,934)	(49.1)	9,560,921						
<b>ALTERNATIVE #1</b>												
<b>EDD build like for like</b>												
Total Project Costs	16.7	4,965,635	19.6	4,811,420	4.1	514,235					40.4	10,291,290
Total Cont. Exist. Costs	330.1	26,785,539	330.1	26,785,539	328.0	26,534,927					988.2	80,106,005
Total Alternative Costs	346.8	31,751,174	349.7	31,596,959	332.1	27,049,162					1028.6	90,397,295
COST SAVINGS/AVOIDANCES	(16.7)	(4,965,635)	(19.6)	(4,811,420)	(2.0)	(263,623)					622.0	43,530,400
Increased Revenues		0		0		0						0
Net (Cost) or Benefit	(16.7)	(4,965,635)	(19.6)	(4,811,420)	(2.0)	(263,623)					622.0	43,530,400
Cum. Net (Cost) or Benefit	(16.7)	(4,965,635)	(36.3)	(9,777,055)	(38.3)	(10,040,678)						
<b>ALTERNATIVE #2</b>												
<b>EDD build enhanced functionality</b>												
Total Project Costs	18.8	11,688,947	18.8	10,635,342	19.6	10,280,814	21.1	10,355,000	5.4	1,155,220	83.7	44,115,323
Total Cont. Exist. Costs	330.1	26,785,539	330.1	26,785,539	330.1	26,785,539	330.1	26,785,539	328.0	26,534,927	1648.4	133,677,083
Total Alternative Costs	348.9	38,474,486	348.9	37,420,881	349.7	37,066,353	351.2	37,140,539	333.4	27,690,147	1732.1	177,792,406
COST SAVINGS/AVOIDANCES	(18.8)	(11,688,947)	(18.8)	(10,635,342)	(19.6)	(10,280,814)	(21.1)	(10,355,000)	(3.3)	(904,608)	(81.6)	(43,864,711)
Increased Revenues		0		0		0		0		23,000,000		0
Net (Cost) or Benefit	(18.8)	(11,688,947)	(18.8)	(10,635,342)	(19.6)	(10,280,814)	(21.1)	(10,355,000)	(3.3)	22,095,392	(81.6)	(43,864,711)
Cum. Net (Cost) or Benefit	(18.8)	(11,688,947)	(37.6)	(22,324,289)	(57.2)	(32,605,103)	(78.3)	(42,960,103)	(81.6)	(20,864,711)		

## 8.6 Project Funding Plan Worksheet

SIMM 20C30C, Rev. 03/2011

### PROJECT FUNDING PLAN

Department: Employment Development Department

All Costs to be in whole (unrounded) dollars

Date Prepared: 05-01-15

Project: BOCA

	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		TOTALS	
	PYs	Amts								
<b>TOTAL PROJECT COSTS</b>	<b>14.8</b>	<b>3,349,354</b>	<b>21.0</b>	<b>7,731,582</b>	<b>15.4</b>	<b>2,608,757</b>	<b>2.5</b>	<b>1,345,699</b>	<b>53.7</b>	<b>15,035,392</b>
RESOURCES TO BE REDIRECTED										
Staff	9.8	1,238,585	13.7	1,663,764	15.4	1,553,757	2.5	290,699	41.4	4,746,805
Funds:										
Existing System		0				0		0		0
Other Fund Sources - SBR funds		500,000		0		0		0		500,000
<b>TOTAL REDIRECTED RESOURCES</b>	<b>9.8</b>	<b>1,738,585</b>	<b>13.7</b>	<b>1,663,764</b>	<b>15.4</b>	<b>1,553,757</b>	<b>2.5</b>	<b>290,699</b>	<b>41.4</b>	<b>5,246,805</b>
ADDITIONAL PROJECT FUNDING NEEDED										
One-Time Project Costs	5.0	1,610,769	7.3	6,067,818	0.0	0	0.0	0	12.3	7,678,587
Continuing Project Costs	0.0	0	0.0	0	0.0	1,055,000		1,055,000	0.0	2,110,000
<b>TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR</b>	<b>5.0</b>	<b>1,610,769</b>	<b>7.3</b>	<b>6,067,818</b>	<b>0.0</b>	<b>1,055,000</b>	<b>0.0</b>	<b>1,055,000</b>	<b>12.3</b>	<b>9,788,587</b>
<b>TOTAL PROJECT FUNDING</b>	<b>14.8</b>	<b>3,349,354</b>	<b>21.0</b>	<b>7,731,582</b>	<b>15.4</b>	<b>2,608,757</b>	<b>2.5</b>	<b>1,345,699</b>	<b>53.7</b>	<b>15,035,392</b>
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Estimated Cost Savings	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
<b>FUNDING SOURCE*</b>										
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund (SBR)	15%	500,000	0%	0	0%	0	0%	0	3%	500,000
Special Fund - BAF	81%	2,705,453	93%	7,189,501	96%	2,514,507	93%	1,251,449	91%	13,660,910
Unemployment Compensation Disability Fund	4%	143,901	7%	542,081	4%	94,250	7%	94,250	6%	874,482
<b>TOTAL FUNDING</b>	<b>100%</b>	<b>3,349,354</b>	<b>100%</b>	<b>7,731,582</b>	<b>100%</b>	<b>2,608,757</b>	<b>100%</b>	<b>1,345,699</b>	<b>100%</b>	<b>15,035,392</b>

\*Type: If applicable, for each funding source, beginning on row 29, describe what type of funding is included, such as local assistance or grant funding, the date the funding is to become available, and the duration of the funding.

The Grant Funds (SBR) were made available on 9/21/2014. The SBR must be obligated by Sep 2016 and liquidated by Dec 2016.

## 8.6 Project Funding Plan Worksheet continued

SIMM 20C30C, Rev. 03/2011

### ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET

Department: Employment Development Depar

Date Prepared: 05-01-15

Project: BOCA

Annual Project Adjustments	FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		Net Adjustments	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
<b>One-time Costs</b>										
Previous Year's Baseline	0.0	0	5.0	1,610,769	7.3	6,067,818	0.0	0		
(A) Annual Augmentation /(Reduction)	5.0	1,610,769	2.3	4,457,049	(7.3)	(6,067,818)	0.0	0		
(B) Total One-Time Budget Actions	5.0	1,610,769	7.3	6,067,818	0.0	0	0.0	0	12.3	7,678,587
<b>Continuing Costs</b>										
Previous Year's Baseline	0.0	0	0.0	0	0.0	0	0.0	1,055,000		
(C) Annual Augmentation /(Reduction)	0.0	0	0.0	0	0.0	1,055,000	0.0	0		
(D) Total Continuing Budget Actions	0.0	0	0.0	0	0.0	1,055,000	0.0	1,055,000	0.0	2,110,000
<b>Total Annual Project Budget Augmentation /(Reduction) [A + C]</b>	<b>5.0</b>	<b>1,610,769</b>	<b>2.3</b>	<b>4,457,049</b>	<b>(7.3)</b>	<b>(5,012,818)</b>	<b>0.0</b>	<b>0</b>		

[A, C] Excludes Redirected Resources

<b>12.3</b>	<b>9,788,587</b>
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#### Annual Savings/Revenue Adjustments

Cost Savings	0.0	0	0.0	0	0.0	0	0.0	0		
Increased Program Revenues		0		0		23,000,000		23,000,000		

## 9.0 Business Functional Requirements

TABLE 11 – BUSINESS FUNCTIONAL REQUIREMENTS

Seq	Business Functional Requirement
1	Ability to suppress outgoing correspondence or collection actions on groups, individuals, or both due to customer model (i.e., bad address, multiple overpayments, etc.) or sensitive workloads (i.e., convictions, appeals etc.).
2	Ability to ensure that outbound correspondence cannot be altered to include information that is previously determined to be confidential or excludable.
3	Ability to customize outbound correspondence to address customer needs, model requirements, or specific overpayment account activity (i.e., poor payment history, outstanding warrant, etc.), where changes can be made to the following, but not limited to: <ul style="list-style-type: none"> <li>* standard header/footer information</li> <li>* standard paragraphs</li> <li>* contact telephone numbers</li> <li>* variable data from the customer's record</li> <li>* logo</li> </ul>
4	Ability to update and maintain account history and/or notes, to include, but not limited to the following: <ul style="list-style-type: none"> <li>* when forms were sent</li> <li>* what type(s) of forms were sent</li> <li>* where forms were sent</li> <li>* staff ID</li> <li>* date</li> <li>* time</li> <li>* type of contact (phone, correspondence, etc.)</li> <li>* contact / action notes</li> <li>* case number</li> <li>* case notes</li> <li>* return mail</li> <li>* incoming &amp; outgoing correspondence</li> </ul>
5	Ability to print all screens.
6	Ability for multiple individuals to view and update customer account information at the same time.
7	Ability to maintain and view the following customer information, including, but not limited to: <ul style="list-style-type: none"> <li>* individual overpayment liabilities by SSN (Multiple)</li> <li>* initial liability amount, payment history, and remaining balance</li> <li>* current balance by overpayment/mail date</li> <li>* total due, collectible</li> <li>* account characteristics and status</li> <li>* transaction history</li> <li>* modifications to transactions</li> <li>* correspondence / contact history</li> <li>* collection actions taken (summary judgment, lien, EWO, offset)</li> <li>* inquiry status, referrals, and anticipated response date (audit trail)</li> <li>* payment history</li> <li>* payment application</li> <li>* fees</li> <li>* debits and credits separately</li> <li>* payment arrangement</li> <li>* FTB, TOP, UI, DI, &amp; Lottery offsets</li> </ul>
8	Ability to identify and monitor customer payments by type and received date to determine if account is in compliance with payment arrangement or garnishment.

9	Ability to customize criteria to score, identify, and route accounts, work items or inquiries.
10	Ability to apply the appropriate action to account, work item, or inquiry, based on prioritization score.
11	Ability to prioritize and assign work based on staff profiles (classification) and availability.
12	Ability to generate multiple page letters and bills.
13	Ability to notify staff of collection actions approaching deadlines.
14	Ability to automatically or manually establish various collection categories within accounts including but not limited to: * Collection * Bankruptcy * Third Party Liability * TAO * Investigation
15	Ability to manually override routing of accounts and work items.
16	Ability to manually and automatically route accounts, work items, and collection actions, based on business rules, for appropriate review, approval, and comments.
17	Ability to automatically or manually assign and monitor work items (collections and appeals) across location, organization and staff, with the ability to manually override and reassign work items.
18	Ability to sort and prioritize accounts based on business rules, including but not limited to; * time limits * dollar amount * special requests * change in status * inventory category * controlled correspondence * statutes of limitations
19	Ability to use inventory categories or other prioritization schema to monitor workloads and assignments including, but not limited to; * summary judgments / liens * appeals * collections * EWOs * payment plans * escrows * bankruptcy
20	Ability to link multiple overpayment accounts together through common identifier (account number, SSN, etc.), providing search and listing capabilities for the purpose of collection actions.
21	Ability to maintain multiple addresses with effective dates, source, and end date, as appropriate including, but not limited to; * employer address * claimant address * historical address * agent * other agency database (FTB, etc.)
22	Ability to send correspondence to primary, alternate, third party, or multiple addresses based on customer designation.
23	Ability to sort and identify accounts based on various data elements (i.e., demographic info, liability, delinquency, chronic, balance, etc.).
24	Ability to identify access to other agency and internal databases, where personnel view accounts or other files not related to their workload per business rules.

25	Ability to search and retrieve data from internal and external databases, with audit trail functionality, including but not limited to: New system data repository NER SCDB /ABAS SARS.
26	Ability to record all screens viewed and all collection actions taken on an account through an automated, system-inherent audit trail to record: * action description * date and time of action * individual taking the action *all FTI data that is accessed or viewed
27	Ability to allow authorized non-technical administrators to define and maintain automated "workflows" within the system. These workflows may either be case-based or document based and can be established across a number of process dimensions including, but not limited to: * Workflow steps, routing rules, escalations, and alerts * Worklist set-up and prioritization rules * Assignment of worklists to workgroups * Association of users to a workgroup * Correspondence and collection activities to be generated at a particular work step * Exception thresholds
28	Ability to pre-populate forms and checklists to assist staff members in identifying information or steps needed to conduct the following activities, including, but not limited to: * collection activities * write-offs
29	Ability to analyze delinquent account characteristics to determine appropriate correspondence and manually or automatically schedule a series of events in accordance with business rules. Activities could include, but are not limited to: * letter * summary judgments / liens * levies * garnishments
30	Ability to generate electronic or paper enforcement actions (i.e. summary judgments, liens, levies, garnishments) manually or automatically.
31	Ability to maintain summary judgment / lien information. This includes, but is not limited to: * Lien number * Balance * Recording information * Judgment information * Period Covered This information must be maintained, regardless of account or lien status.
32	Ability to automatically issue, release, and extend summary judgments / liens nearing expiration, according to business rules (i.e., statute of limitations require summary judgment / lien be issued prior to involuntary collections).
33	Ability to maintain detailed information related to bankruptcy cases on an account, including but not limited to: * type of bankruptcy * case number * status * filing and hearing dates * party handling the bankruptcy * information about liabilities covered by bankruptcy * changes to proof of claim form * dollar amount and liability data for proof of claim
34	Ability to monitor accounts in bankruptcy status, determine claim amount, and initiate claim filing. For more complex cases, identify the appropriate action (automated or manual).
35	Ability to identify assets/information using available customer information (SSN, SEIN, etc.) through automated cross-reference search internally and externally with other databases.

36	Ability to route exception items for resolution.
37	Ability to make mass changes to a group of overpayments accounts.
38	Ability to flag accounts manually or automatically based on adjustable business rules. Type of flags may include, but are not limited to: * accounts with known incorrect information (return mail) * accounts with bankruptcy filing information * accounts that contain specific confidential information * customers who are facing criminal charges * customers who are known to be dangerous * audit/investigation in process * timely/untimely appeals * offsets (FTB, IRS, etc.)
39	Ability to change account status manually or automatically based on pre-designated criteria (i.e., remove bankruptcy status when bankruptcy is closed or discharged).
40	Ability to prevent certain actions on the account when flag is placed, liability is out-of-statute, or when account status changes (e.g., when status changes to "bankruptcy," automatically pre-defined collection activities).
41	Ability to suspend collection efforts on specific liabilities while allowing billings to continue.
42	Ability to automatically notify staff or generate exception when an account status, model and/or other action taken has changed status of the account, based on business rules (flag placed on account, change in collection status, decrease in balance, new case assignment, etc.).
43	Ability to monitor action on flagged accounts and notify staff of events (i.e., notify that a deadline is approaching, notify after a pre-designated time period, notify when any new actions take place, confidential characteristics warrant special attention, etc.).
44	Ability to monitor payment plans and garnishments for adherence and if plan is out of compliance, determine next action for account.
45	Ability to distinguish between liabilities covered by summary judgment / lien, unliened liabilities, (statute of limitations) liability with expired lien, and amounts due for the purpose of automated or manual collections.
46	Ability to automatically post fees on when associated collection action is initiated (lien fee, court fees, etc.).
47	Ability to set thresholds per business rules for review/approval of certain collection actions.
48	Ability to capture and monitor the outcome and effectiveness of collection actions.
49	Ability to capture, monitor, and report on hours/MPUs by specific activity, individual, group, section, etc.
50	Ability to recognize payment in full has been received and take appropriate action based on business rules.
51	Ability to monitor automated and staff-initiated payment arrangements and take appropriate collection action on defaults.
52	Ability to automatically or manually evaluate and identify accounts that meet write-off criteria.
53	Ability to update addresses processed by BOPSD using USPS certified systems for address cleansing and address move/update processing.
54	Ability to automatically issue summary judgments / liens, levies, and EWOs based upon business rules.
55	Ability for staff to manually issue, extend, modify, suspend, accelerate and release collection action (summary judgments / liens, involuntary collection actions, etc.).
56	Ability to automatically issue EWO based upon wage information from Wage Record System or other agency database.
57	Ability to generate all collection notices (from initial billing notice through collection cycle) based upon business rules.
58	Ability to automatically manage collection workload items based on business rules without supervisory interaction.
59	Ability to have flexibility to establish and modify lien fees based on county fee schedules.
60	Ability to allow for a predefined workflow for all case types. Workflow would have predefined stages and would incorporate time frames for moving a case from one stage to another.
61	Ability to consolidate information regarding a claimant, regardless of the sources of data.

62	Ability to ensure efficient and effective system performance and response time in accordance with industry standards.
63	Ability for all internal and external systems related to the overpayment collection to "talk to each other."
64	Ability to update shared data.
65	Ability to display all information a collector needs in a concise manner (possibly one screen).
66	Ability for the system to be developed using an open architecture that is easily modified and expanded.
67	Vendor to document all interfaces between new system and associated databases in regard to collection of overpayment debt.
68	Ability for application to integrate third-party software / equipment. (e.g. correspondence with Microsoft Word, MIS with Excel or Access).
69	Ability to provide timely backup and recovery capabilities to protect against the loss of data.
70	Ability to designate letters, notices, statements, and forms for special handling (i.e., certified mail)
71	Ability to sort letters into batches so that letters requiring special handling are grouped together to ease manual processing.
72	Ability to conform to all external agencies security and confidentiality requirements, specifically regarding the storage and utilization of information.
73	Ability to support all current user-load and be capable of expanding to 25% more users without significant staff or fiscal investment.
74	Ability to allow concurrent access for all systems users.
75	Ability to generate notices based on specific criteria (i.e., liability, individual, period of time, lien, etc.) and to different addresses.
76	Ability to manually and/or automatically bring overpayment account information to ACES if account does not meet business rules in account selection (i.e., zero balance bankruptcy accounts).
77	Ability to automatically recognize change in offset amount submitted and to electronically submit new balance to FTB/IRS based on business rules.
78	Ability to recognize zero balance or new liability established in order to add or delete to offset list on an ongoing basis.
79	Ability to support many different letters, notices, billings, statements, etc., depending on account circumstances. These letters can be issued with different frequencies based on account characteristics and business rules.
80	Ability to receive USPS certified move/update addresses from BOPSD and store as address of record, retaining original address as unique address type with end date.
81	Ability to sweep SCDB, CCR, and SDI Online nightly and capture all updates or changes on overpayment accounts, based on business rules.
82	Ability to change collection status from Collectable to Uncollectible for all overpayment accounts that meet write-off criteria.
83	Ability for new system. SCDB/ABAS, CCR, and SDI Online to exchange data in accordance with pre-defined business rules.
84	Ability to generate statements/notices on specific intervals and subject to change based on business rules (i.e., 30 days change to 60 days depending on backlog of workload and staff availability).
85	Ability to update SCDB with summary judgment / lien information.
86	Ability to trigger transaction of bankruptcy by individual and display on appropriate screens.
87	Ability to update with collection status change (bankruptcy).
88	Ability to update Bankruptcy claim information based on business rules.
89	Ability to flag new system, SCDB, CCR, and SDI Online that address of record is incorrect.
90	Ability to print notices in multiple languages, as appropriate, according to policy.
91	Ability to identify all offset payments regardless of payment type.
92	Ability to capture payment amount, cashier date, and payment source from new system and display on payment history based on business rules.
93	Ability to update payment history with new payments posted to new system.

94	Ability to refresh payment history with customer initiated changes when overpayment account is accessed through the new system.
95	Ability to exchange information with external sources via automated means.
96	Ability to generate satisfaction of judgment, lien release request manually or automatically based on pre-designated criteria including, but not limited to: * liability paid in full * liability reduced to zero or cancelled (vacated / LIE)
97	Ability to generate documentation or correspondence that a satisfaction of judgment and/or lien release request has been initiated and to provide evidence of satisfaction of indebtedness to claimants.
98	Ability to capture, store, and retrieve bank account information for all payments received by check and debit transactions.
99	Ability for security system controls to limit access to only the specific data or data types for each authorized user.
100	Ability to provide manual capability to establish, modify, and terminate payment arrangements on new system including the length of the agreement, the amount of each payment, and the due date of each payment.
101	Ability to generate payment arrangement form with terms of agreement and mail to claimant for signature along with EFT registration form (i.e., manual payment arrangements not established online).
102	Ability to calculate interest and costs, including final amount due, at any time.
103	Ability to capture payment type data (i.e., credit cards, direct debit EFT, payment agreements, offsets, etc.)
104	Ability to establish, change, and edit common business rules in order to process accounts in accordance with the CUIC, changes in law, and operational procedures.
105	Ability to archive, retrieve, and purge.
106	Ability to generate standard, ad hoc and customized reports with minimal assistance from technical resources, without significant impact on performance of the online transaction database.
107	Ability to generate standard and ad hoc reports, using standardized or easily changeable report template.
108	Ability to send and save all reports to multiple file formats including those currently on the ITB supportable software list (i.e., currently Excel and Access).
109	Ability to generate "Control Reports." These will be used to verify that interfaces ran successfully and that all items were processed.
110	Ability to generate management reports under specified criteria (i.e., financial reports, performance reports and trend reports) including but not limited to: * fees paid and collected * receipt of information by type (i.e., document liability, period, etc.) * receipts * voluntary and involuntary payments * accounts receivable activities * special account situations (appealed, doubtful collection status, bankruptcy, and amounts due from out-of-state customers) * error statistics * customized payment listing (i.e., by type and period) * write-offs * collection activities performed and payments received as a result of **** backlogs **** aged items **** overdue actions
111	Ability to identify performance metrics, establish targets, and monitor performance against those targets at the individual or group level (i.e., tracking actions to results and time).

112	Ability to monitor and report on current and historical statistics including, but not limited to: * program * error/exception * production * operational performance statistics.
113	Ability to route reports to individuals within EDD and designated external organizations on-demand or automatically.
114	Ability to enter information once and automatically update any other related systems.
115	Ability to track recurring issues and capture data to perform trend analysis.
116	Ability to develop online system training aids, and review job tasks and/or work flows in training new system users.
117	Ability to track statistical productivity measurements.
118	Ability to provide information at a level of detail appropriate to the staff profile.
119	Ability to have a training environment for new or changed applications and systems.
120	Ability to ensure confidential information provided is secure, tracked, and only accessible by authorized users.
121	Ability to verify access authority to accounts.
122	Ability to maintain a library of standard correspondence / form templates, generate new templates, import templates from external sources, and maintain version control to determine which templates were in use during specific periods.
123	Ability to automatically pre-populate forms and correspondence with customer/account information from the system.
124	Ability to initiate notices and print through print process in the BOPSD print facility for, but not limited to: * DE Forms * Bills * Statements * Letters *Judicial Council Forms
125	Ability to generate, print, and electronically transmit correspondence, notices, statements, and forms at the desktop level and/or on demand.
126	Ability to identify overpayment accounts with discrepancies and sort into categories based on flexible criteria.
127	Ability to produce reports of accounts with discrepancies by category.
128	Ability to identify and route overpayment account data according to pre-defined business rules.
129	Ability to initiate the voluntary collection process and take appropriate collection action based on business rules.
130	Ability to initiate the involuntary collection process and take appropriate collection action based on business rules.
131	Ability to perform inventory control on incoming items.
132	Ability to perform inventory control on print jobs.
133	Ability to perform data cross-matches with external sources via automated means.
134	Ability to identify and route incoming items according to pre-defined business rules.
135	Ability to produce inventory, production, and time reports.
136	Ability to search new system's data by internal customers based on business rules.
137	Ability to manually update records in the event of system failure.
138	Ability to archive, view, and reproduce in final output format, all system and employee generated correspondence, notices, statements, and forms produced at local printer and BOPSD print facility. The archived copy should match the output format that was mailed to the customer.
139	Ability to generate a custom letter, incorporating the same archive, tracking, printing, and viewing features of standard correspondence.

140	Ability to generate correspondence when customer contact is required during the following, but not limited to; * collection process * acknowledgement of appeal as required by law * non-compliant account * identification of missing or incorrect information
141	Ability to automatically evaluate accounts and submit accounts to appropriate program area for write-off of receivables or discharge accounts based on business rules.
142	Ability to search the contact history using defined codes or standard descriptions indicating the type of contact including but not limited to; inbound call, outbound call, inbound letter, outbound letter, payment issue, protest related, collection action.
143	Ability to electronically file a claim with the Bankruptcy Courts.
144	Ability to access external databases and resources to locate customer address information.
145	Ability to perform scenario modeling and forecasting (for example, "what if" analysis for cost/benefit scenarios, collection strategies, etc.).
146	Ability to issue, extend, and release summary judgments / liens electronically through interface with counties.
147	Ability to identify pre and post-bankruptcy petition liability for collection actions.
148	Ability to identify a portion of liability that is not collectable.
149	Ability to interface with other databases internal and external, obtain asset information and initiate collection action.
150	Ability to group together, for mailing purposes, summary judgments / liens/ EWOs / levies, etc. issued to a common location.
151	Ability for existing lien information to be loaded onto new system (needed for releases, extensions, and involuntary action) and future releases and extensions done by new system.
152	Ability for managers to define workflow and time frames for each step using a workflow management system. Statutory limitations, due process regulations, etc. should be incorporated into the workflow process.
153	Ability to develop a test and production environment, which will allow users to test various scenarios. Authorized users must have the capability to move information from the production system to the test environment.
154	Ability to provide for all security of all tax data in accordance with state and federal requirements.
155	Allow authorized staff to view and edit any staff generated forms prior to sending to print.
156	Ability to customize the "signature block" on a letter. Signatures can be for a specific point of contact at the Department or a generic work unit.
157	Ability for online employee authorization for customized letters generated. (i.e., employees can send some letters directly, while others can be defined to require a supervisor approval.)
158	Ability to ensure that the system meets EDDs information security and confidentiality policies, and integrity objectives.
159	Ability for concurrent retrievals for up to 90% of all workstations.
160	Ability to calculate prior balance on a specific date (example: OP mail date).
161	Ability to interface electronically with other state or federal agencies to receive and transmit data for individuals, partners, corporations, etc.
162	Ability to automatically capture and store FTB/IRS address provided from offset process.
163	Ability to cleanse / validate account data prior to automatic transmission of offset to SCDB/ABAS and/or the new system then to FTB/IRS.
164	Ability to periodically send SCDB address of record without an end date to BOPSD for USPS address cleansing and address move/update certification processing.
165	Ability to electronically file Bankruptcy Claims with Bankruptcy Courts.
166	Ability for non-technical program area staff to maintain a modeling environment to test collection related scenarios (i.e., account profiles).
167	Ability to interface electronically with other state or federal agencies to receive and transmit offset data.
168	Ability to receive and process information and payments using Direct Debit EFT.

169	Ability for all customers to make Direct Debit EFT payments online and by phone 24 hours a day (automated system).
170	Ability to accept all major credit cards.
171	Ability to capture the transaction and confirmation number for Direct Debit EFT Credit Card payments.
172	Ability for all claimants to view all payment history (excluding tolerance, write-off, VU, etc.) on-line for one year plus the current year.
173	Ability for payment history to be flexible to hold data for the life of all overpayments
174	Ability for customers or their designated representative to establish or modify their own payment arrangements online, including length of agreement, amount of payment, and due date based on business rules.
175	Ability to provide a payment calculator to calculate amount due per period, penalty and interest, for internal and external use.
176	Ability to automatically calculate penalty and interest on amount due, or portion thereof, for different time periods (i.e., past, present, future).
177	Ability to recognize if balance due is less than monthly payment and only debit final payment amount.
178	Ability to use automated debit from bank account as a method of payment for payment arrangements.
179	Ability for MIS system to query any new system database field to produce an ad hoc report.
180	Ability to generate statistical reports including, but not limited to: * graphical representations * bubble charts * pie charts * payment trends * history reports based on data element selection
181	Ability to access documents stored in an archive/retrieval system or media.
182	Ability for vendor to ensure effective and appropriate training on all new or changed applications and systems for staff within the central office, remote sites, districts, and localities. This includes on the job training, provide job aids, task related advise, and computer based training. Training shall act as an interface between the worker and the application.
183	Ability to filter, interconnect, and summarize information from all the systems.
184	Ability to provide key performance indicators which monitor productivity, revenue, receivables, and workloads.
185	Ability for staff's profile to be flexible for dissemination of information.
186	Ability to apply business edit rules as the customer or EDD staff enters information online or submits information through the phone (i.e., the zip code must have 5 digits, etc.).
187	Ability to insert free-form text in standard templates according to business rules.
188	Ability to generate and view statement itemizing liability by overpayment, payments and how they were applied, and the balance.
189	Ability to maintain schedules of reference data that can be applied to overpayment accounts or mailings according to business rules.
190	Ability to process and reconcile federal treasury offsets.
191	Ability to post overpayment remittances to the system.
192	Ability to update overpayment remittances allocation tables as business rules change.
193	Ability to electronically transfer county recorder data.
194	Ability to consolidate multiple pieces of correspondence across workloads / processes into a single mailing when appropriate.
195	Ability to include standard tools as part of the new system's desktop package, including but not limited to; * calendar * help screen * calculator (payment arrangements & interest)
196	Ability to interface with internal systems to obtain bank information.
197	Ability to automatically issue additional liens, based on business rules, if mailing address is in a different county.

198	Ability to receive recording information automatically (i.e., bar code) or interface electronically with county if available.
199	Ability to recognize overpayment account information gathered from other databases if different than new system and place in work queue and flag account based on business rules.
200	Ability for staff to view list of future actions and anticipated date of issuance.
201	Ability for EDD staff to access payment history through intranet based on business rules and access authority.
202	Ability to image incoming collection correspondence and route to appropriate automated work queue.
203	Ability to hold all payment arrangement accounts in file and generate request for direct debit payment based on business rules.
204	Ability to maintain a history of recipients of reports, by date, and reason.
205	Ability for retrieval of detail data behind summarized numbers which could be summoned for review or passed through for economic modeling, policy decisions, and forecasting.
206	Ability to customize a standard screen view to suit the type of work being performed (i.e., re-position where certain information displays, add/remove certain fields from displaying, etc.). These preferences should also be saved so information always displays as customized for the specific individual. Ability for staff to easily reset view to default.
207	Ability for staff to access new system remotely / securely, uploading and downloading information as appropriate.
208	Ability for imaging work queue to interface with and delay/suspend collection actions or notices until work item completed.
209	Ability to automatically issue a levy using FIRM data.
210	Ability to allow for access of data by authorized users in the central offices, remote sites, districts, and localities within data level security constraints.
211	Ability for new system to run during business hours while batch jobs are running in the background.
212	Ability for online inquiry to a directory of predefined letters.
213	Ability to interface with forecasting and economic modeling systems; provide detail data from across systems to be used for further analysis and evaluation.
214	Ability to modify imaging system to accept the new form revisions.
215	Ability to update collection case notes with standard statements selected from a programmed menu table to capture information provided to customers during telephone contacts and responding to correspondence.
216	Ability to review outbound correspondence at pre-determined intervals.
217	Ability to capture, store, and use information from IRS tapes (if unable to obtain data from FTB warehouse).
218	Ability for all customers to access payment history through online services (excluding tolerance, write-off, etc.) for one year plus the current year.
219	Ability to generate a confirmation letter for payment arrangements established online.
220	Ability for payment arrangement data entered from Internet to interface with new system and SCDB.
221	Ability to provide current collectable account balance to customer through online service.
222	Ability to schedule reports to run at a later date/time without further action by the user.
223	Ability to prompt customers to verify account information entered during automated customer contacts.
224	Ability to flag SCDB when an overpayment account is added or deleted from the offset list (FTB/IRS).
225	Ability to identify bankruptcy overpayment accounts in new system.
226	Ability to do one-time initial sweep of BOCS' databases, ABAS / SCDB to capture all overpayment accounts based on business rules.
227	Ability to update balance changes daily and automatically stop debit if payment arrangement is paid in full.

228	Ability to increase storage capacity of images captured through imaging equipment (i.e., UI/DI taxable wages, correspondence, collection notices, additional DE6 returns, etc.).
229	Ability to use an array of available technologies to more efficiently and effectively interact with the claimant, other outside parties, and the core processing systems.
230	Ability for individuals to access multiple related systems/applications using a single logon (user-ID and password).
231	Ability to select and view performance indicators and other critical measures via a "dashboard" format customized by individual users.
232	Ability to capture all new overpayment accounts regardless of collection status with balance due based on business rules.
233	Ability to interface with bank electronically for Notice of Levy (issuance, response and payment) where available.
234	Ability to automatically calculate formulas as the customer enters information online.
235	Ability to provide context-sensitive online help for staff and claimants.
236	The System shall handle 34,000 paper remittances per month, with allowances for growth of 10% a year.
237	The System shall post payments to claimant Unemployment Insurance benefit overpayment accounts using information from Infolmage.
238	The System shall post payments to claimant Disability Insurance benefit overpayment accounts using information from Infolmage.
239	The System shall post batches involving checks and department issued coupons batches.
240	The System shall post batches involving a single paper remittance that was sent to pay toward a single SSN.
241	The System shall post batches involving Earnings Withholding Orders (EWO), county checks with payment listing of multiple SSNs attached to each check.
242	The System shall post batches involving DE 3443, which includes paper remittances that have remittance receipts created by EDD field offices.
243	The System shall post multiple payment batches, which consists of a single paper remittance for multiple SSNs and multiple paper remittances with listings of multiple SSNs.
244	The System shall post payments based on paper remittance and included documentation received from the public and external agencies. This information may be incomplete.
245	The System shall be able to identify the following types of information to produce a remittance receipt on SCDB: -SSN -Name -Check Number -Remittance Type (Personal Check, Money Order, Business Check, etc.) -Case Number -Judgement Number -Repayment Number -EDDCAN Number -Amount
246	The System shall post each remittance to the appropriate overpayment, using the appropriate allocation formula.
247	The System shall suspend each remittance receipt where no overpayment is found.
248	The System shall handle Claim not found by SCDB.
249	The System shall suspend remittances where no client is found by SCDB.
250	The System shall suspend remittances where Special Allocation Required is returned by SCDB.
251	The System shall suspend remittances where the last name on the remittance does not match the last name on the claim.
252	The System shall post payments to SCDB within 24 hours of receipt at DIMC.
253	The System shall allow EDD UI-IAD and Field Office employees to post payments.
254	The System shall associate remittances with payments previously posted by EDD Field offices.
255	The System shall interface with SDI Online, ABAS, Infolmage, CCR\CUBS, SARS, and SCDB.
256	The System shall be available Monday through Friday, 6:30 am - 5 pm.
257	The System shall allow only authorized users to perform appropriate activities.

258	The System shall post payments to ABAS.
259	The System shall retain data for a minimum on 7 years.
260	The System shall support payment by paper checks.
261	The System shall support payment methods used by paper remittances, credit card, and EFT.
262	The System shall support personal checks.
263	The System shall support money orders.
264	The System shall support cashier's checks.
265	The System shall support business checks.
266	The System shall have the ability to capture, store, and use the unique claimant identifier that is assigned by the Department to Unemployment Insurance and Disability Insurance claimants, such as the EDD Customer Account Number (EDDCAN).

## **FSR Appendix Attachments**

### **Appendix A – Stage 1 Business Analysis**



# Stage 1 Business Analysis

## General Information

Agency or State Entity Name:

Employment Development Department

Organization Code:

7100

Name of Proposal:

Benefit Overpayment Collection Automation (BOCA)

Proposed Start Date:

July, 2016

Department of Technology Project Number:

## Submittal Information

Submission Date:

9/19/2014

Contact First Name:

Jennifer

Contact Last Name:

Chan

Contact email:

Jennifer.Chan@edd.ca.gov

Contact Phone:

(916) 654-7416

## Business Sponsor and Key Stakeholders

### Executive Sponsors

Title	First Name	Last Name	Business Program Area
Chief Deputy Director	Sharon	Hilliard	EDD

### Business Owners

Title	First Name	Last Name	Business Program Area
Division Chief	Renee	Gibson	Tax Branch, Collection Division, Benefit Overpayment Collection Section
Division Chief	Pat	Padilla	Unemployment Insurance Branch, Integrity and Accounting Division
Division Chief	Alison	Coldwell-Peyronel	Tax Branch, Tax Processing and Accounting Division, Document and Information Management Center

### Key Stakeholders

Title	First Name	Last Name	Business Program Area/Group	External
Deputy Director	Lisa	Wheeler	Tax Branch	<input type="checkbox"/>
Deputy Director	Sabrina	Reed	Unemployment Insurance Branch	<input type="checkbox"/>
Deputy Director	Sharon	Hilliard	Disability Insurance Branch	<input type="checkbox"/>

Deputy Director	Greg	Williams	Administration Branch	<input type="checkbox"/>
Deputy Director	Gail	Overhouse	Information Technology Branch	<input type="checkbox"/>
			Sacramento Superior Court	<input checked="" type="checkbox"/>

## Business Analysis

### 1.1 Business Drivers

Financial Benefit:	<input checked="" type="checkbox"/> Increased Revenues
	<input type="checkbox"/> Cost Savings
	<input checked="" type="checkbox"/> Cost Avoidance
Mandate(s):	<input type="checkbox"/> State
	<input type="checkbox"/> Federal
	<input checked="" type="checkbox"/> Better services to citizens
Improvement:	<input type="checkbox"/> Efficiencies to program operations
	<input checked="" type="checkbox"/> Technology refresh

### 1.2 Statutes or Legislation

Statutes or Legislation:	<input type="checkbox"/> New statutes or potential legislation	<input checked="" type="checkbox"/> Not Applicable
	<input type="checkbox"/> Changes to existing legislation	
Bill Number:	<input type="text"/>	
Legal Code:	<input type="text"/>	
Additional Information:	<input type="text"/>	

### 1.3 Program Background and Context

The EDD provides services to the people of California including the state programs involving Unemployment Insurance (UI) and Disability Insurance (DI).

The UI Branch (UIB) pays benefits to individuals who have lost their jobs through no fault of their own, are actively seeking work, are able to work, and are willing to accept employment.

The DI Branch (DIB) provides short-term benefits to California workers who are unable to work due to illness, injury, or pregnancy. The DIB also administers the non-industrial DI program for state employees, the DI Elective Coverage program for self-employed individuals, and the Paid Family Leave program.

When an individual applies for and receives full or partial UI or DI benefits for week(s) in which they are not eligible, a benefit overpayment is established. Benefit overpayments are categorized as either fraud or non-fraud:

- A fraud overpayment occurs when a claimant knowingly provides false information or withholds information to receive benefits. In addition to the overpaid benefit liability, a claimant is assessed a 30 percent penalty of the overpayment amount and a false statement disqualification period.
- A non-fraud overpayment occurs when a claimant receives benefits for which they are not entitled. A liability for the amount of benefits overpaid is typically established.

The Tax Branch, through the Collection Division's Benefit Overpayment Collection Section, is responsible for the collection of 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. The total accounts receivable as of State Fiscal Year (SFY) 2013-14 was over \$1 billion and includes over

700,000 outstanding benefit overpayments with an average balance of \$1,700. In SFY 2013-14, the EDD established 300,708 benefit overpayments totaling \$576,761,576. To repay an overpayment, the EDD may withhold federal and state income tax refunds, lottery winnings, or any other money owed to a claimant by the state. In addition, benefit overpayment collections add dollars to the Benefit Audit Fund (BAF) through the collection of penalties and interest.

Prior to July 2000, the Benefit Overpayment Collection Section's collection process was manual. In SFY 1999-00, the Benefit Overpayment Collection Section collected \$59 million. In July 2000, the Benefit Overpayment Collection Section implemented an application, which significantly increased revenue. In SFY 2013-14, benefit overpayment recovery efforts accounted for reimbursements of approximately \$177 million.

The table below displays the Benefit Overpayment Collection Section's revenue collection for the previous five SFYs.

UI/DI Benefit Overpayment Collection Revenue			
SFY	UI	DI	Total
2009-10	\$ 129,789,302	\$ 8,566,476	\$ 138,355,778
2010-11	\$ 148,750,095	\$ 10,213,042	\$ 158,963,137
2011-12	\$ 170,168,432	\$ 12,872,238	\$ 183,040,670
2012-13	\$ 162,267,569	\$ 13,408,502	\$ 175,676,071
2013-14	\$ 161,472,401	\$ 15,171,824	\$ 176,644,225

To support benefit overpayment collections, a variety of manual and automated systems are utilized. The Benefit Overpayment Collection Section utilizes three applications, which interface with the EDD mainframe systems including the Single Client Database (SCDB), the Automated Benefit Accounting System (ABAS), and the Sysout Archival and Retrieval System (SARS).

All staff in the Benefit Overpayment Collection Section employ the current applications for processing their daily workload. The applications utilize numerous data elements from the aforementioned systems. The applications also provide Management Information System (MIS) reports, which assist with workload management. The applications transfer data files from the mainframe systems to create required legal forms that are sent to courts, county recorders, and sheriff offices throughout the state.

All UI claims are filed in the SCDB. All UI benefit overpayment collection case notes are placed into the SCDB in real-time. When a DI claim is filed in the State DI (SDI) Online system, all DI benefit overpayment collection case notes are placed into the SCDB via an overnight batch job.

The Document and Information Management Center (DIMC), within the Tax Accounting and Processing Division, is the scanning facility for the EDD. Payment remittances are batched and scanned into Infolmage by the DIMC.

The UIB, through the Integrity and Accounting Division (IAD), manually posts payment remittances to claimants' UI and DI benefit overpayment collection accounts. Payment remittances are manually posted from hard copy images to the SCDB/ABAS. The Benefit Overpayment Collection System relies on the IAD's processing efficiencies to ensure accurate account balances.

The Business Operations Planning and Support Division (BOPSD), within the Administration Branch, is the print and mailing facility for the EDD. The majority of all correspondence, notices, statements, and forms related to a benefit overpayment are produced and mailed from the BOPSD facility.

The Information Technology Branch (ITB) is responsible for supporting and backing-up the Benefit Overpayment Collection System data.

The Benefit Overpayment Collection Section, within the Tax Branch, is responsible for filing civil legal forms with the Sacramento Superior Court to secure the state's interest and to protect the statute of limitations on the recovery of UI fraud benefit overpayments. Data files are generated to the Sacramento Superior Court through the Benefit Overpayment Collection System.

The subject of this analysis focuses on the overpayment of UI and DI benefits and the means in which these overpayments are recovered.

#### 1.4 Business Problem or Opportunity Summary

The Tax Branch currently operates under two collection systems; the Automated Collection Enhancement System (ACES) and the Benefit Overpayment Collection System.

The ACES is a Commercial Off-the-Shelf collection and accounting system for the audit and collection of employer tax accounts. The ACES is scalable and continuously receives version and service-pack updates. The ACES Application Section within the ITB currently maintains the ACES application.

The Benefit Overpayment Collection System is a collection system for the recovery of UI and DI benefit overpayments, which was written in-house with little documentation. The Benefit Overpayment Collection System was written in Visual Basic 6.0 (VB6) programming language with a Microsoft Access database. The application utilizes three separate VB6 applications, which reside on a single Windows server, and 49 Access databases, which are linked together to store data. Microsoft no longer supports, nor do they provide software updates for VB6. Microsoft Access is not an EDD database standard for production systems. For the past 15 years, the support and maintenance of the current system has been reliant upon the expertise of one programmer. If the current applications were to fail, the ability to collect overpayment liabilities is at risk of interruption due to the EDD's limited VB6 programming knowledge and knowledge of the current system.

Architecturally, operating under two collection systems is not an efficient use of the ITB and Tax Branch resources nor is it conducive to building internal capacity or cross-training staff within the Tax Branch. Furthermore, the Benefit Overpayment Collection System is inflexible and lacks the application functionality to accommodate future initiatives, which support the EDD's strategic goals for pursuing endeavors that offer a positive return on investment, improving technology efficiencies, leveraging resources across programs, seeking established business solutions that take less time to deploy, and delivering self-service options to our customers.

#### **Cost Avoidance**

Application failure - If the existing BOCS application were to fail and the EDD could not restore the application or data, significant resources would be needed to manually process benefit overpayment collection accounts. Should the system fail and the BOCS staff need to revert to a manual process, less UI and DI benefit overpayments, Benefit Audit Fund, and Contingent Fund revenues would be collected.

The business problems associated with the lack of application functionality include the following:

#### **Increased Revenue**

Bank Levies - The EDD has the legal authority to issue bank levies as a means of recovering UI and DI benefit overpayments. The Benefit Overpayment Collection System does not collect money through a levy process. Failure to take advantage of the levy collection tool as a means of generating additional revenue, results in missed opportunities to deposit monies into both the UI and DI trust funds, and the Benefit Audit and Contingent Funds.

#### **Better Service to Citizens**

Customer Self-Service - Customers cannot self-serve via the Internet. Customers must contact the Benefit Overpayment Collection Section staff during normal office hours to obtain or provide routine information relating to their benefit overpayment collection account, thereby preventing staff resources from working on high priority accounts and denying customers the ability to self-serve themselves.

#### **Cost Avoidance, Better Service to Citizens, Technology Refresh**

Payment Remittance Transactions - The DIMC batches and scans payment remittances into Infolmage. The IAD manually posts all payment remittance transactions from scanned hard copy images to a claimant's benefit overpayment collection account. Payments are made with a credit card or via paper form (i.e. personal check, Cashier's Check, or Money Order) and are remitted with or without a payment coupon. Prior to posting a payment remittance to the SCDB, a vast number of paper remittances require manual research and analysis to ensure the payment will be posted to the correct benefit overpayment collection account. Paper remittances received with a payment coupon do not require analysis prior to being posted to the SCDB. In SFY 2013-14, the monthly average of processed paper remittances was 45,763, of which 24,030 were received with a payment coupon. Manually keying paper remittances introduces errors through data entry resulting in potential inaccurate postings, which may trigger

erroneous collection actions.

**Better Service to Citizens**

Inventory Control - The current application utilizes a real-time inventory process that includes both semi-automated and manual tracking. The semi-automated process utilizes Access databases and related queries to produce tables for tracking of inventory. The manual process includes keying and batching incoming documents such as correspondence, employer letters, Levy Officer Rejects, etc., through the Benefit Overpayment Collection System.

**Better Service to Citizens**

Alternate Payment Options - The Electronic Fund Transfer (EFT) option is a preferred method of payment, yet it is not available as an option for the repayment of a benefit overpayment, which results in poor customer service and the opportunity for the EDD to obtain financial information for future involuntary collection activity.

**Better Service to Citizens**

Partially automated work processes - While there are work processes in the Benefit Overpayment Collection Section that are fully or partially automated within the Benefit Overpayment Collection System, there are elements within these work processes that remain manual. Inefficiencies of the Benefit Overpayment Collection system can contribute to inaccuracies of a customer's benefit overpayment collection account. The work processes that have a manual component are:

- Summary Judgment (SJ) Satisfactions; SJ Payments to Courts, Private Process Server, Recorders; SJ Memorandum of Costs and Credits; SJ Renewals.
- Employer Returns.
- Escrow Demands.
- Bankruptcy.
- Deceased.

**Better Service to Citizens**

Non-automated work processes - The lack of application functionality within the Benefit Overpayment Collection System forces the Benefit Overpayment Collection Section to continue the manual processing of a number of work processes. Manual work processes can contribute to inaccuracies of a customer's benefit overpayment collection account. Non-automated work processes include:

- Appeal Monitoring
- Document Management

**1.5 Business Problems or Opportunities and Objectives Table**

**ID Problems and Opportunities**

1	<b>Cost Avoidance</b> - The Benefit Overpayment Collection System has only one programmer to support the system.
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**ID Objective**

1.1	Increase system support by integrating the Benefit Overpayment Collection System into the ACES system, after implementation.
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Metric	Baseline	Target	Measurement Method
System Support	One programmer supports system	ACES Application Section supports the system	Verify new solution is supported by the ACES Application Section

**ID Problems and Opportunities**

2	<b>Increased Revenue:</b> Potential revenue is not being realized through the issuance of bank levies.
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<b>ID Objective</b>			
2.1	Collect \$23 million through the levy process, within one year after implementation.		
<b>Metric</b>	<b>Baseline</b>	<b>Target</b>	<b>Measurement Method</b>
Dollars collected through the levy process	\$0	\$23 million	System reports
<b>ID Problems and Opportunities</b>			
3	<b>Better Service to Citizens:</b> Customers are unable to self-service their collection accounts.		
<b>ID Objective</b>			
3.1	Improve access to the EDD by offering self-service options to benefit overpayment customers with a 10 percent adoption rate, within one year after implementation.		
<b>Metric</b>	<b>Baseline</b>	<b>Target</b>	<b>Measurement Method</b>
Customers utilizing self-service options	0%	10%	Query benefit overpayment collection accounts to identify the percentage of customers using self-service options
<b>ID Problems and Opportunities</b>			
4	<b>Cost Avoidance, Better Service to Citizens, Technology Refresh:</b> All paper remittances are manually posted to SCDB/ABAS from scanned hard copy images.		
<b>ID Objective</b>			
4.1	Reduce the number of manually posted paper remittances by 50 percent, within one year after implementation.		
<b>Metric</b>	<b>Baseline</b>	<b>Target</b>	<b>Measurement Method</b>
Percentage of paper remittances posted automatically	0% of paper remittances	50% of paper remittances	Existing IAD database reports.
<b>ID Problems and Opportunities</b>			
5	<b>Better Service to Citizens:</b> Incoming correspondence, employer letters, Levy Officer Rejects, etc. are manually keyed and batched into the Benefit Overpayment Collection System.		
<b>ID Objective</b>			
5.1	Image incoming correspondence, within one year after implementation.		
<b>Metric</b>	<b>Baseline</b>	<b>Target</b>	<b>Measurement Method</b>
Imaged correspondence	0%	100%	Are correspondence imaged - Yes or No?
<b>ID Problems and Opportunities</b>			

6 **Better Service to Citizens:** Unable to offer EFT payment option to customers.

ID **Objective**  
 6.1 Provide customers with additional payment options to facilitate compliance by allowing customers to make electronic payments for billed liabilities, within 18 months after implementation.

Metric	Baseline	Target	Measurement Method
EFT payment option offered to customers	None. Current system does not allow customers to make payments via EFT	EFT payment option available to customers	Can customers make payment via EFT - Yes or No?

ID **Problems and Opportunities**  
 7 **Better Service to Citizens:** Lack of application functionality within the Benefit Overpayment Collection System forces work processes to remain manual.

ID **Objective**  
 7.1 Leverage the ACES system functionality to automate work processes requiring manual intervention by integrating the Benefit Overpayment Collection System into the ACES system , within 18 months after implementation.

Metric	Baseline	Target	Measurement Method
Automation of existing manual work processes	Existing manual work processes	Automation of manual work processes	Have existing manual work processes been automated? - Yes or No?

## 1.6 Strategic Business Alignment

Strategic Business Goals	Alignment
<p>EDD Strategic Plan  <b>Goal 1, Fiscal Stewardship:</b> Responsibly manage our public resources and align investments with strategic goals.  <b>Initial Strategic Objective:</b> Achieve return on investments identified in the project portfolio.  <b>More Emphasis On:</b> Pursuing projects with a positive return on investment.</p>	<p>Goal 1 of the EDD's Strategic Plan focuses on responsibly managing our public resources and aligning investments with strategic goals. Furthermore, it speaks to pursuing projects with a positive return on investment. Currently, existing technology prohibits the issuance of bank levies as a means for recovering UI and DI benefit overpayments, resulting in the potential loss of revenue and the opportunity to replenish the UI and DI trust funds, and the Benefit Audit and Contingent Funds.</p> <p>The proposal would address Problem 2 stated in Section 1.5 above, which is in alignment with Goal 1 of the EDD's Strategic Plan, the Initial Strategic Objective regarding achieving return on investments identified in the project portfolio, with the emphasis on pursuing projects with a positive return on investment, which ties back to the narrative in Section 1.4.</p>
<p>EDD Strategic Plan  <b>Goal 3, Sustainable Operations:</b> Align system operations, administration, resources, and business processes with strategic priorities and budgetary parameters.</p>	<p>Goal 3 of the EDD's Strategic Plan focuses on aligning system operations, administration, resources, and business processes with strategic priorities and</p>

**Initial Strategic Objective:** Integrate and consolidate services, system operations and maintenance, and administrative activities.  
**More Emphasis On:** Efficient delivery of EDD services, leveraging resources across programs, and use of technology.

budgetary parameters. Currently, the Tax Branch is operating under two collection systems; ACES and the Benefit Overpayment Collection System. The ACES is supported, scalable, and continuously receives version and service-pack updates. The Benefit Overpayment Collection System is written in VB6 programming language with an Access database, is no longer supported by or receiving software updates from Microsoft, is reliant upon the expertise of one programmer for support and maintenance, and collection efforts are constrained due to the lack of application functionality.

As a result, continuing to operate under two collection systems is not an efficient use of resources, significant resources would be needed to manually process collection accounts should the current applications fail, accommodating future initiatives such as building internal capacity, cross-training staff, and being able to better service our customers, would continue to be challenging. Additionally, the lack of new application functionality prohibits the Tax Branch from taking advantage of available collection tools that would generate potential revenue.

The proposal would address Problems 1, 2, 3, 4, 5, 6, 7 stated in Section 1.5 above, which is in alignment with Goal 3 of the EDD's Strategic Plan, the Initial Strategic Objective regarding integrating and consolidating services, system operations and maintenance, with the emphasis on efficient delivery of services, leveraging resources across programs, and use of technology, which ties back to the narrative in Section 1.4.

EDD Strategic Plan  
**Goal 4, Enabling Innovation:** Invest in our future by supporting appropriate business and technology solutions.  
**Initial Strategic Objective:** Target technology innovation solutions on critical business processes that are well designed or have been improved.  
**More Emphasis On:** Seeking established business solutions that take less time to deploy.

Goal 4 of the EDD's Strategic Plan focuses on investing in our future by supporting appropriate business and technology solutions. Furthermore, it speaks to seeking established business solutions that take less time to deploy. Currently, the IAD manually process and post all paper remittance transactions to a claimant's benefit overpayment collection account. Errors are introduced through manual data entry, resulting in potential account inaccuracies and erroneous collection actions.

The proposal would address Problem 4 stated in Section 1.5 above, which is in alignment with Goal 4 of the EDD's Strategic Plan, the Initial Strategic Object regarding targeting technology solutions that are well designed or have been improved, and which ties back to the narrative in Section 1.4

EDD Strategic Plan  
**Goal 5, Responsible Service:** Negotiate clear commitments with stakeholders and focus on priorities.  
**Initial Strategic Objective:** Drive our stakeholders to more efficient self-service options.

Goal 5 of the EDD's Strategic Plan focuses on negotiating clear commitments with stakeholders and focusing on priorities. Furthermore, it speaks to providing more efficient self-services to our

**More Emphasis On:** Delivering through self-service/online operations.

customers. Currently, existing technology does not provide a method for customers to self-serve their benefit overpayment collection accounts, and as a result, requires customers to place a call to the Department to provide or obtain routine information, rather than having the opportunity to self-serve. Additionally, staff resources are pulled away from high priority workloads to provide routine information to customers.

The proposal would address Problem 3 stated in Section 1.5 above, which is in alignment with Goal 5 of the EDD's Strategic Plan, the Initial Strategic Objective regarding efficient self-service options, and which ties back to the narrative in Section 1.4

## Appendix B – Acronym List

TABLE 12 – ACRONYM LIST

<b>Acronym</b>	<b>Acronym Name</b>
<b>ABAS</b>	Automated Benefit Accounting System
<b>ACES</b>	Automated Collection Enhancement System
<b>AIMS</b>	Agency Information Management Strategy
<b>AMB</b>	ACES Management Bureau
<b>BAT</b>	Benefit Overpayment Collection System Automation Team
<b>BOPSD</b>	Business Operations Planning and Support Division
<b>BOCA</b>	Benefit Overpayment Collection Automation
<b>BOCS</b>	Benefit Overpayment Collection Section
<b>BOE</b>	Board of Equalization
<b>CA-PMM</b>	California Project Management Methodology
<b>CCP</b>	Code of Civil Procedures
<b>CSG</b>	Contract Services Group
<b>CUIC</b>	California Unemployment Insurance Code
<b>DHCP</b>	Dynamic Host Configuration Protocol
<b>DDI</b>	Design, Development and Implementation
<b>DI</b>	Disability Insurance
<b>DIMC</b>	Document Information Management Center
<b>DIR</b>	Department of Industrial Relations
<b>DGS</b>	Department of General Services
<b>DMS</b>	Document Management System
<b>EAW</b>	Economic Analysis Worksheet
<b>EDD</b>	Employment Development Department
<b>EFT</b>	Electronic Fund Transfer
<b>EWO</b>	Earnings Withholding Order
<b>FSR</b>	Feasibility Study Report
<b>FTB</b>	Franchise Tax Board
<b>HW</b>	Hardware
<b>IdAM</b>	Identity and Access Management
<b>IPOC</b>	Independent Project Oversight Contractor
<b>IRS</b>	Internal Revenue Service
<b>ISO</b>	Information Security Office
<b>IT</b>	Information Technology
<b>ITB</b>	Information Technology Branch
<b>IV&amp;V</b>	Independent Verification and Validation
<b>IVR</b>	Interactive Voice Response
<b>LAN</b>	Local Area Network
<b>LO</b>	Levying Officer
<b>M&amp;O</b>	Maintenance and Operations
<b>MOC</b>	Memorandum of Costs and Credits
<b>NCB</b>	Non Competitive Bid
<b>ORP</b>	Operational Recovery Plan
<b>OTech</b>	Office of Technology Services
<b>PIER</b>	Post Implementation Evaluation Report

<b>PM</b>	Project Manager
<b>PMBOK®</b>	Project Management Body of Knowledge
<b>PMI</b>	Project Management Institute
<b>PMP</b>	Project Management Plan
<b>PPS</b>	Private Process Server
<b>PSP</b>	Project Summary Package
<b>PY</b>	Personnel Years
<b>RFC</b>	Request for Change
<b>RFP</b>	Request for Proposal
<b>SAN</b>	Storage Area Network
<b>SCDB</b>	Single Client Database
<b>SFY</b>	State Fiscal Year
<b>SDD</b>	Service Delivery Discipline
<b>SDLC</b>	System Development Life Cycle
<b>SIMM</b>	State Information Management Manual
<b>SJ</b>	Summary Judgment
<b>SOW</b>	Scope of Work
<b>SPR</b>	Special Project Report
<b>SW</b>	Software
<b>TTS</b>	Transition to Support
<b>UI</b>	Unemployment Insurance
<b>WAN</b>	Wide Area Network
<b>WBS</b>	Work Breakdown Structure

## **Appendix C – Existing Infrastructure TO BE REDACTED**

### **EXISTING SYSTEMS:**

#### **BOCS Server Environment**

The BOCS App Server, houses the data repositories,  
The BOCS Backup Server, which backups BOCS data repositories,

Server system specifications for both BOCS Apps Server and BOCS Backup Server are as follows:

#### Operating System:

- Installed Operating System: Microsoft(R) Windows(R) Server 2003, Enterprise Edition (Version 5.2.3790 Service Pack 2 Build 3790)
- Mainstream support – full product support
- Windows Server 2003 was released 5/28/2003, is no longer supported by Microsoft's Mainstream support.

#### Server Hardware

- System Manufacturer: Hewlett Packard
- System Model: Proliant DL380 G4
- System Type: x86-based PC
- Processor: Total of 4 - x86 Family 15 Model 4 Stepping 1 GenuineIntel~3600 Mhz
- Memory (RAM): 12 GB

#### **ACES Server Environment – This also applies to Section 5.1 Solution Description**

##### ACES FTI:

Platform: database/file server

##### Operating System:

- Windows Server 2008 R2 Enterprise (64-bit)

##### ACES UITOP:

Platform: database/file server

- Operating System: Windows Server 2008 R2 Enterprise (64-bit)

EDD/ACES network is protected with the following devices:

Cisco IOS 12.4(24)T2 Border router

Cisco NX-OS 6.2.(2) Screening router

Cisco ASA 9.1(2) ASA EDGE Firewall

Cisco ASA 8.2(4) ASA INSIDE Firewall

#### **Network Environment**

The OTech and EDD Collaborate for the delivery of WAN Services for EDD.

OTech is responsible for all WAN circuit and router maintenance. OTech resells WAN services to EDD, they provide 24x7 helpdesk services and monitoring of router availability. EDD provides network based services at two locations (EDD Central Office and Goethe

DMRC) for all EDD locations. Network based services include but are not limited to Firewalling, Web Proxy and IDS/IPS services. The EDD is also responsible for LAN to the desktop.

## **Wide Area Network (WAN)**

The External WAN infrastructure is comprised of two 1Gb/s links to OTech's CGEN network for access to the Internet, other state agencies and state datacenters. The Primary circuit terminates at EDD Central Office and the Backup Circuit terminates at the Goethe DIMC location

The Internal WAN infrastructure is comprised of a MPLS cloud with varying speed access. EDD Field Offices vary between T-1 (small office), multiple T-1's (medium office), and Ethernet Based access up to 50Mb/s (large office).

EDD Field Offices do NOT have direct access to the internet, they do NOT split Internet access to local connections, all offices must traverse either EDD Central Office (primarily) or EDD DIMC Office (secondarily) to reach the internet.

The EDD Central Office has connectivity to the OTech through two separate data circuits. The first circuit is a Gigabit MAN Circuit to CSGnet and the other circuit is a Gig-A-MAN circuit at the EDD's Document Information Management Center (DIMC) site that is used as a fail-over path.

The EDD's Central Office is connected to the DIMC site, where remittance processing for the Document Management System (DMS) is located; by dual – Gig-A-MAN circuits at 1 Gb/s each. This pair of circuits carries all IP Traffic between DIMC and the EDD's Central Office. The DIMC as stated above is connected to CSGnet with a Gig-A-MAN circuit at 1 Gb/s.

Field offices are connected with Cisco network routers. Router-to-router traffic will carry TCP/IP. Direct access to the OTech Mainframe is provided by TN3270 over TCP/IP. Some automated systems are using Secure File Transfer Protocol (SFTP) for encrypted file transfers directly to and from the mainframe.

## **Network Security**

All EDD locations are protected with Cisco Firewalls and Bluecoat Proxy/Caching appliances. All applications that must pass these devices require the submission and approval of Firewall Request forms.

**State of California**  
**California Technology Agency**  
**Questionnaire for Information Security**  
**and Privacy Components**  
**in Feasibility Study Reports**  
**and Project-Related Documents**

**SIMM 20D**

April 2011

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## REVISION HISTORY

REVISION	DATE OF RELEASE	OWNER	SUMMARY OF CHANGES
Initial Release	July 2008	Office of Information Security & Privacy Protection	
Update	March 2011	Technology Agency - Office of Information Security	Formatting, name and logo change.
Update	April 2011	Technology Agency - Office of Information Security	Formatting and SIMM Numbering

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# Questionnaire for Information Security and Privacy Components in Feasibility Study Reports and Project-Related Documents

## 1.0 INTRODUCTION

The following Questionnaire assists state agencies with describing the information security and privacy components associated with an IT project in its Feasibility Study Reports and other project-related documents. The Office of Information Security reviews these documents to ensure information security and privacy components are addressed by the state agency and provide its recommendations to the California Technology Agency.

If any of the answers could be considered sensitive in nature, the agency should address them in a separate addendum marked "Confidential" and included as an attachment to the document.

## 2.0 INFORMATION SECURITY OFFICER (ISO) ROLE AND RESPONSIBILITIES

1. What is the role and responsibilities of the Agency ISO in relationship to this project?

*As directed by the State Administrative Manual (SAM) section 5300 et seq., the Information Security Office is "required to oversee agency compliance with policies and procedures regarding the security of information assets." Additionally, SAM states "Oversight responsibility at the agency level for ensuring the integrity and security of automated files, databases, and computer systems must be vested in the agency Information Security Officer".*

2. Will the ISO be involved in developing and reviewing the security requirements?

*Yes. A key way that the Employment Development Department (EDD) Information Security Office (ISO) supports risk management and compliance responsibilities is by reviewing technical requirements for Projects to ensure they support State, Federal and agency security policies, guidelines and industry best practice. This should securely align with the business requirements defined by the Project.*

3. Will the ISO be involved in developing and reviewing the security testing efforts?

*Yes. For this purpose, the EDD ISO developed the Security Requirements for Projects document. This document provides the minimum security requirements mandated by the EDD ISO for projects governed and/or subject to the policies and standards of EDD. Projects that intend to deploy systems/applications into the EDD system infrastructure, or will utilize EDD information system services, are also subject to these minimum security requirements.*

4. Has the ISO participated in the response to these questions and signed off on the project-related document(s)?

*Yes. The security requirements document is intended to assist EDD and its service customers in understanding the criteria EDD will use when evaluating and certifying the system design, security features and protocols used by project solutions utilizing EDD services. These security requirements are also used in conjunction with the EDD ISO compliance review program of its information system services customers.*

### 3.0 PROPOSED SYSTEM

1. Who will be the designated owner of the proposed system (system)?

*EDD Information Technology Branch and EDD Tax Branch.*

2. Who will be the custodians and users of the system?

*The data custodian is the EDD Information Technology Branch and the users would be the EDD Tax Branch.*

3. Has the data for the system been classified by the owner? Explain.

*The data will be classified and follow the FIPS 199 standard. The data classification documented by the data owners within the EDD privacy impact analysis document.*

4. Does the project require development of new application code or modification of existing code?

*This project requires modification of existing code. The BOCA effort will modify the existing ACES system to process benefit overpayments.*

5. Will your agency share the data for the system with other entities? *No*
6. If data for the system is to be shared with other entities, will your agency implement data exchange agreements with the entities? Explain.

*The EDD ISO's Privacy and Disclosure unit keeps all data exchange agreements with third parties.*

7. Are there checkpoints throughout the software development life cycle (SDLC) verifying and certifying that the security requirements are being met?

*Yes. Testing will be performed to ensure the security requirements are met throughout the SDLC. Additionally, the following will be observed throughout the life of the system:*

- *EDD Information Security Office (ISO) Security Requirements for information systems require periodic updates to the system security plan.*
- *OTech Information Security Standards*
- *State Administrative Manual (SAM) section 5300 et seq.*

8. At what points will risk assessments be performed throughout the SDLC?

*In accordance with the Information Technology Project Oversight Framework (SIMM Section 45), risks will be identified, assessed and documented. Information Security Risk assessment is performed prior to implementation as part of the Certification and Accreditation process. Any information security risks which have been identified will be documented and tracked within a Plan of Action and Milestone document.*

9. At what point will vulnerability assessments be performed once the system is put into production (e.g., ongoing risk management after implementation)?

*As required by the EDD ISO's Information Security and Privacy Policy, all information systems will allow for periodic system security reviews that provide assurance that management, operations, personnel, and technical controls are functioning effectively and providing adequate levels of protection. These reviews may include security procedures such as vulnerability assessment and penetration testing, regular updates to the*

*system security plans, and continuous monitoring and vulnerability scanning.*

10. Will this system collect federal data? If so, have you yet determined the National Institute for Standards and Technology 800-53 rating (i.e., high / medium / low)?

*Yes. All systems within EDD are classified as medium with selected controls as high.*

11. Does your state agency's Five Year IT Capital Plan address information security and privacy as related to this system?

*Security and privacy of the BOCA system will be addressed by EDD's existing security infrastructure.*