

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 109 Bureau of Worker's and Unemployment Compensation

PROGRAM: UNEMPLOYMENT INSURANCE

TIMELINE: October 1, 2008 through September 30, 2009

PROGRAM MISSION STATEMENT

Everything we do is aimed at providing the highest quality unemployment insurance services, ensuring the economic growth of Michigan – its employers and its workers.

PROGRAM STATEMENT

The Unemployment Insurance program is administered under state laws in compliance with federal laws and regulation. Established in 1935, its purpose is 1) to pay temporary partial compensation to unemployed workers for periods of involuntary unemployment; and 2) to stabilize the economy by maintaining the spending power of the workers while they are between jobs.

The Agency includes the following four Divisions:

Customer Services

The Customer Services Division is made up of four (4) Remote Initial Claim Centers (RICCs). The RICCs are located in Detroit, Grand Rapids, Lansing, and Saginaw. Through these centers, the Agency accepts claims for unemployment insurance benefits from unemployed workers, determines if the unemployed worker qualifies for benefits, and authorizes payments when applicable. In addition, Customer Services also runs the Work Distribution Center that receives, batches, scans, and indexes all benefit correspondence for the Agency.

Benefit Services

The Benefit Services Division is comprised of two offices – External and Internal Benefit Services.

External Benefit Services – The External Benefit Services units and offices provide outreach to external customers. Also, responsible for designing and implementing statewide surveys, providing UIA information to Michigan Works! Agency centers and overseeing Problem Resolution Offices equipped with technological tools and resources as well as face-to-face interaction between UIA employees and their customers. These units and offices are:

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Multi-Claimant Unit

Multi-Claimant Unit handles unemployment claim cases that involve separations of more than one person on the same date, for the same reason such as misconduct, voluntary leaving, theft, assault & battery etc., all labor disputes, lockouts and shutdowns, all school denial periods including releases for school bus drivers, coaches, food service workers etc. Multi Unit also handles company buy outs, severance packages, vacation and holiday pay, exempt employment (city officials) and DELEG employees.

Employer Customer Relations Unit

The Employer Customer Relations Unit answers employer questions regarding benefit eligibility, protests and appeals, employer account and other general unemployment and tax-related questions. The unit mails out requested forms and brochures to its customers. In addition, the unit refers customers to other departments and agencies as needed. The Employer Customer Relations Hotline is currently part of a six-month pilot project in the Tax Office designed to increase employer customer service and satisfaction.

Problem Resolution Offices

The Problem Resolution Offices (PROs) resolves customer problems and makes automated resources available to claimants. There are eleven offices located throughout the state in Detroit, Gaylord, Grand Rapids, Kalamazoo, Lansing, Livonia, Marquette, Mount Clemens, Muskegon, Pontiac, and Saginaw. The offices in Mount Clemens, Kalamazoo and Muskegon are collocated with Department of Human Services (DHS) in a collaborative effort to assist similar customers who have both DHS and UIA concerns. The offices provide a means of resolving problems and an opportunity to use information to improve UIA services. PROs identify system-related issues thereby improving timeliness and efficiency of services provided to customers.

Administrative Analysis & Federal Reports Unit

The Administrative Analysis & Federal Reports Unit produces and transmits more than 20 federally mandated reports. The unit also gathers and analyzes economic and demographic data and generates program statistical reports which are provided on weekly, monthly, quarterly and annual schedules as well as on request to internal customers, other state and federal agencies, legislative bodies, news media, etc.

Based on historical and current data, the unit formulates projections including (but not limited to) the Trust Fund, claims activity and workload. Forecasts are often requested when proposed or pending legislation may impact any of these items.

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Reports include:

- Claims and Payment Activities
- Benefit Appeals & Time Lapse
- Characteristics of Insured Unemployed
- Payment time lapse data
- Nonmonetary Determinations Activities & Time Lapse
- Contribution Operations (trust fund)
- Combined Wage data
- Alien Claims Activity
- Overpayment Detection and Recovery
- Worker Profiling
- Experience Rating (employer)

Wage Record Information & Reports Unit

The Wage Record Information & Reports Unit is responsible for wage database maintenance, all processes related to employers' quarterly Wage Data Reports (Form UIA 1017), Friend of the Court Sequestrations, System Alien Verification of Entitlement (SAVE), Wage corrections (Form UIA 1099) and Crossmatch activities. The Agency uses wages reported by employers to calculate unemployment benefits.

The following methods are used to provide wage information to the UIA:

- Employer Quarterly Wage Detail Report (Form UIA 1017)
- 1017e (Web based) – generally 50 employees or fewer
- Electronic File Submission (EFS) – generally more than 50 employees
- Data Entry Gateway (Used by the Department of Management & Budget and Department of Community Health)

The Wage Record Unit is also the central processing location for processing wage verifications that are received from mortgage companies, housing agencies, and other government entities requesting information regarding unemployment payment and wages.

Surveys & MWA Outreach Unit

The Surveys & MWA Outreach Unit prepares, tabulates and evaluates survey instruments of internal and external Agency customers, and prepares reports of the results for the Executive Office. The Agency's Profiling and Reemployment Services Program also is centralized in this unit. The program identifies unemployed workers most likely to exhaust their claims and, in partnership with the Bureau of Workforce Programs and Michigan Works! Agencies makes reemployment services available to them. This unit also coordinates Agency Rapid Responses to employers

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planning layoffs. Other tasks handled by this unit include preparing monthly Management Information Systems Reports and fulfilling requests for Employer Posters and Employer Handbooks.

Advocacy Program

The Advocacy Program provides information, upon request, and subject to certain restrictions, consultation and representation at no cost to unemployed workers and employers, at the Office of Appeals and/or Board of Review levels of appeal. Advocates, who are independent contractors and have signed a contract with the Program, provide the consultation and representation services. Program staff will provide information about the appeal process, fact sheets about most common issues and a listing of Advocates.

Internal Benefit Services – The Internal Benefit Services supports unemployment insurance functions by monitoring automated service delivery systems, operating employer filed claims, developing procedures, processing overpayment collections, reviewing the quality of claims processing and decisions, and processing special program claims. The units and offices under Internal Benefit Services are:

Benefit Accuracy Measurement (BAM) Unit

The Benefit Accuracy Measurement Unit operates the Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) programs, which are Federal quality control programs. Random samples of paid and denied unemployment insurance claims are audited weekly to determine the accuracy of the benefit payment or denial of benefits. The BAM Unit assesses the application of state and federal laws, policies, and procedures on claims audited to determine compliance. Recommendations are made for program improvements.

Tax Performance System (TPS) Program

The Tax Performance System reviewer assesses the quality of the Unemployment Insurance Tax Operations. Employer tax rates, status information, benefit charges, tax payments and accounts receivables are reviewed annually and recommendations are made for program improvements.

Benefit Payment Control (BPC) Unit

The mission of the Benefit Payment Control Unit is to preserve the integrity of the Unemployment Insurance (UI) Trust Fund through the use of crossmatch programs, and identify prevention and detection techniques for improper benefit payments. The BPC Unit detects UI benefit overpayments and issues fraud and non-fraud redeterminations.

Benefit Overpayment Collection (BOC) Unit

The purpose of the Benefit Overpayment Collection Unit is the collection of improperly paid benefits and the maintenance of benefit overpayment accounts.

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Unemployment Insurance (UI) Benefit Procedures Unit

The UI Benefit Procedures Unit develops and revises benefit procedures and forms. The unit provides answers to questions about UI procedures and conducts the quarterly Benefits Timeliness and Quality (BTQ) review of nonmonetary determinations.

Federal Desk

The Federal Desk in UI Benefit Procedures allows or denies claims filed under the Unemployment Compensation for Ex-military Personnel Program (UCX). It also assists with claims filed by federal civilian employees under the Unemployment for Civilian Federal Employee (UCFE) Program and responds to federal employer charge protests.

Combined Wage Claim (CWC) Unit

The Combined Wage Claim Unit administers Michigan's program that allows unemployed workers to increase benefit entitlement by combining wages earned in two or more states.

Interstate Program Coordinator (IPC)

The Interstate Program Coordinator acts as a liaison between Michigan and other states and the Department of Labor in regards to Interstate Benefits Claims and Combined Wage Claims. The IPC monitors reports and updates the IB Handbook and Vessel listing for Michigan. The IPC assists UIA employees with problems on Interstate Benefits and Combined Wage claims, and assists in implementing new applications on the ICON (Interstate Connection) system.

TRA (Trade Readjustment Allowance)/Special Programs Unit

The TRA/Special Programs Unit processes claims, and issues decisions and benefit payments to laid-off workers eligible for Trade Readjustment Allowances (TRA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA). These are workers unemployed due to increased imports or a shift in production to another country.

Benefit Systems Control

The Benefit System Control Unit acts as a liaison between users of the Unemployment Insurance Agency's automated systems and the Department of Information Technology. Their function is extremely complex in that it involves three separate yet interdependent systems: Benefits, Tax, and Income and Eligibility Verification System (IEVS).

Employer Filed Claims (EFC) Unit

The Employer Filed Claims Unit ensures the processing of initial claims electronically filed for unemployed workers by their employers. EFC provides centralized support for all employer and unemployed worker participants by resolving and providing procedural and technical guidance. This unit is responsible for all phases of the employer filed claims process.

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Central Benefit Control (CBC) Unit

The Central Benefit Control Unit provides production support to the Unemployment Claims (UI) filing process by reviewing and handling exception work items. These items must be processed timely as they affect UI benefit payments. The unit is responsible for work items that need employer account numbers identified for filing purposes, that require adjustments to current and prior benefit payment amounts, and that require the restoring of benefit week balances due to restitution decisions.

Trust Fund, Tax and Field Audit Division

The Trust Fund, Tax and Field Audit Division is responsible for collecting taxes, administering and monitoring services to employers, investigating tax fraud, maintaining the integrity of the trust fund and identifying employer non-compliance.

Trust Fund Accounting Section (TFAS)

TFAS performs accounting and financial reporting functions for the Unemployment Insurance Trust Fund. These functions include cash management, reconciliations, data integrity analyses, and Federal and State reporting. The section is also responsible for processing post office returned checks, lost/stolen affidavits, forgery affidavits, and refund checks to employers and claimants.

Tax Office

The Tax Office administers the unemployment tax provisions of the Michigan Employment Security Act and services about 204,887 contributing and 5,282 reimbursing employer accounts. It determines an employer's tax liability, tax rate, collects current and delinquent unemployment taxes, and certifies employer wage and tax data to the Internal Revenue Service (IRS). The Tax Office also certifies job applicants who are eligible target group members to qualify employers for the WOTC Credits from the IRS.

SUTA Dumping Unit

SUTA Dumping Unit is responsible for the detection of employers engaging in SUTA Dumping (unemployment tax avoidance to dump higher rate for a lower one), educating the employer community about the law prohibiting the practice, the statutory penalties and the harm it causes and enforcement of anti-SUTA Dumping provisions of the MES Act through audits and investigations.

Independent Contractor Unit

Independent Contractor Unit is responsible for identifying employers who may be misclassifying employees as independent contractors. This unit performs audits and investigations to bring employers into compliance and ensure that employers are in compliance with the Michigan Employment Security (MES) Act and Administrative Rules.

Field Audit Section

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The Field Audit Section performs audits and investigations to ensure employers comply with the MES Act. Audits are randomly selected or based on referrals. The Section also resolves issues related to covered employment or "blocked" claims that require an investigation by a Field Auditor.

Tax Enforcement Unit

The Tax Enforcement Unit is responsible for the collection of delinquent taxes, interest & penalties through the use of collection tools such as warrants. The Unit is also responsible for investigating employers referred from Field Audit, Tax, the Office of the Attorney General and the SUTA Dumping and Independent Contractor Units for noncompliance of the Michigan Employment Security Act and the Administrative Rules.

Special Projects

Special Projects is responsible for procedure writing, training, quality assurance, and acts as resource persons for Tax Office, Tax Enforcement, SUTA and Independent Contractor Units.

Employer System Support (ESS)

Employer System Support (ESS) is a liaison unit between the business areas in Trust Fund, Tax & Field Audit and the Department of Information Technology (DIT). They also develop and/or update Tax Office forms, provide customer support for the on-line services offered to employers, provide management reporting, perform quality assurance for the Tax Office, and perform administrative duties for the division.

Employer Customer Relations Unit

The Employer Customer Relations (ECR) Unit is responsible for providing customer service to the employer community. Services include; answer questions regarding benefit eligibility, protests and appeals, employer account information and other general unemployment and tax-related questions; mail out requested forms and brochures; refer customers to other departments and agencies as needed. The ECR Unit assists in marketing and educating the employer community on the various employer related services the Agency officers. The ECR Unit also solicits employer feedback on our services and applies that feedback to improvement recommendations.

Misclassification Task Force

Governor Jennifer Granholm created the Interagency Task Force on Employee Misclassification on February 1, 2008, to coordinate enforcement across state departments when an employer may misclassify a worker as an independent contract instead of an employee. Employee misclassification significantly harms Michigan taxpayers because employers that misclassify employees illegally avoid financial obligations to the State of Michigan; employee misclassification is unfair to the overwhelming majority of Michigan job providers who play by the rules because law-abiding businesses are placed at a competitive disadvantage compared to those who avoid their legal obligations; employee misclassification significantly harms Michigan workers who are deprived of their important legal rights and protections. The Task Force has held public hearings and meetings to take testimony on the concerns of misclassification. Annual reports have been issued to the Governor by July 1st of each year.

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Office of Management Services

The Office of Management Services (OMS) Division serves as the liaison with DELEG on budget, finance, purchasing, contracts and human resource issues as well as the United States Department of Labor (USDOL) regarding the Federal budget and grant funding. These functions are handled in the Central Support Unit. In addition, OMS is responsible for strategic planning, Training, Fraud, and the Integrity Unit. The unit is responsible for collection, investigating and analyzing data pertaining to all aspects of the agencies tax collection and benefit payment operations impacting all major functional areas within the organization. In addition, OMS is responsible for the Oakman Multi-Service Center which handles all of the mailing, printing, publishing and distribution for the UIA. The OMS Division also directs and implements special projects and services as liaison with other appropriate agencies to coordinate UIA activity.

Additional Agency Components (Offices)

Administrative Law and Rules Section – This Section provides interpretations of law for UIA staff and the public, drafts proposed legislation and administrative rules, analyzes the impact of proposed unemployment insurance legislation, provides education to the public through seminars and publication of the UIA Employer Handbook, advises staff in matters related to SUTA Dumping and Misclassification of Wages, and represents the Agency at selected administrative law hearings conducted by Administrative Law Judges and by the Michigan Employment Security Board of Review.

Attorney General – The office provides UIA with legal representation in court, prosecutes cases involving fraud, and seeks repayment of benefits.

FUND SOURCE:

U.S. Department of Labor, Unemployment Insurance Operations
Reed Act funds

LEGAL BASIS:

Public Law 104-208 Funding Provisions for State UI Administration activities
Public Act 251 of 2008

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CUSTOMER IDENTIFICATION:

- Advocates
- Attorney General staff
- Chamber of Commerce
- Citizens of Michigan
- Communities
- Congress counterparts in the states
- Courts
- Departments within the State of Michigan
- Director Stanley Pruss and DELEG
- Employer representatives/organizations/associations
- Employers
- Federal agents
- Governor Jennifer Granholm
- Michigan Works! Agencies
- News media
- Partners with other governmental entities
- State Legislature
- UIA employees
- Unemployed workers and the underemployed and Interstate unemployed
- Union
- Universities
- United States Department of Labor (USDOL)

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CRITICAL GOALS/MAJOR OBJECTIVES

Program Goals:

GOAL 1

Technology Enhancements

The objective/goal will be completed by the projected date.

1.1 Objective: Auto Coder

To provide a more accurate occupational code for unemployed workers filing claims for purposes of employment and job placement, as well as for the statistical data necessary for state economic development. Development and install software by June 30, 2007.

<p><u>Highlight Status</u></p> <p>Gr Amber</p>	<p><u>Strategy</u></p> <p>Develop plan to introduce Auto-coder into the business process and technical infrastructure by meeting with IT staff to discuss implementation issues and system deployment alternatives. Contact USDOL ETA for delivery of the Auto- Coder software. Develop and install Auto Coder application software on the UIA Claims Entry Desktop Application by 6/30/2007.</p> <p><u>Comment</u></p> <p>The implementation of Autocoder in the claims filing process has not yet been completed. Due to other critical and time-sensitive priorities, such as implementation of the EUC, EB and FAC programs, technology resources had to be diverted. Autocoder is priority #4 on the agency's technology development and implementation list, with 55% of this initiative completed as of June 2009. Although a completion date has not been determined, work continues in order to implement Autocoder as soon as possible.</p>
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1.2 Objective: SNAP (System Non-monetary Adjudication Process) Phase 2

Develop an automated adjudication logic decision system to improve the agency's timeliness and quality in the non-monetary determination process.

<u>Highlight Status</u>	<u>Comment</u>
<p>Gr Green</p>	<p>SNAP was designed to improve adjudication timeliness, quality and customer service, beginning with the less complex adjudication issues, using web based fact-finding to which both the claimant and employer respond. With these responses, SNAP develops a potential nonmonetary determination which is reviewed and accepted or rejected by a claims examiner. SNAP went into limited production March 2009 and expanded production in July 2009. The Unemployment Insurance Examiners (UIE) use the web based fact finding responses and the application logic processes to generate a completed nonmonetary determination. Staff can now adjudicate all separation issues as well as those determining a claimant's ability and/or availability for work.</p> <p>Work is progressing on Phase 2, with an anticipated production roll-out in 2nd quarter FY 2010. SNAP Phase 2 is comprised of several functions, and includes the ability for the system to make an automatic determination based on responses input by claimants and employers, with no staff intervention.</p>

1.3 Objective: Increase Usage of EFC Program

Continue yearly recruitment of employers for participation in the EFC program, in which employers file claims for their employees electronically during mass lay-off periods.

<u>Highlight Status</u>	<u>Strategy</u>
<p>Gr Green</p>	<p>A special marketing plan was developed for the purpose of increasing participation in the Employer Filed Claims (EFC) program. Implementation of the plan included the opening of the program to another tier of employers (other than those specifically meeting the criteria of the Act); letters to designated employers inviting them to participate; follow-up letters to those employers who had been previously contacted; revision of EFC informational package, on-site presentation and web site to provide more and better information about the program; and, on-site visits to interested employers to provide presentations and respond to questions.</p>
	<p style="text-align: center;"><u>Comment</u></p> <p>Four new employers were added to the EFC program during this reporting period. The manager will actively recruit new employers for participation in the EFC program, with the expectation of adding two to four new employers during the upcoming reporting period.</p>

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1.4 Objective: WOTC System Upgrades

WOTC gives employers federal tax credits for hiring certain workers who typically have difficulties in finding employment. The unit is to be updated from paper intensive processes to automated processes by 09/30/2008.

<u>Highlight Status</u> Gr Amber	<u>Strategy</u> Meetings to diagram the verification process between DHS and UIA have been completed. Suggestions were made to change the imaging system and to further automate the workflow process. <u>Comment</u> Project was put on hold in 2008 until August 2009 when DHS completed system upgrade. The project is expected to be completed by December 31, 2009.
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1.5 Objective: Employer Database Cleanup – 2 year project

Identify inaccurate information on database and manually review to determine errors and correct. Submit service requests to prevent any further bad data from being entered. To be completed by 09/30/2009.

<u>Highlight Status</u> Gr Amber	<u>Strategy</u> Through the data validation project, continue to identify inaccurate information on the database, request the appropriate system changes to prevent any further bad data from being entered, and manually review existing data errors to determine the appropriate corrections. Project expected completion date is September 30, 2009. <u>Comment</u> Tax populations 1, 2, and 3 have already been completed. Due to legislative and program changes which required DIT resources, populations 4 and 5 have not been addressed. They will be addressed in fiscal year 2010.
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1.6 Objective: Trust Fund, Tax & Field Audit (TFT&FA) Streamline blocked claim function between RIC Centers and Field Audit

Utilizing AWDS, an electronic workflow for this process is being developed and is expected to be functioning by 12/31/2008.

<u>Highlight Status</u> G Green	<u>Strategy</u> Implement procedural changes utilizing an electronic form and AWDS <u>Comment</u> All changes implemented by 6/30/2009. New streamlined process is now being utilized.
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1.7 Objective: Tape Drive Elimination

Objective: Elimination of tape drives and substitution of another method for transmitting and receiving employer, vendor, and federal/state agency data as a cost savings and to update the technology used. Estimated completion date is before the end of FY 2009.

<u>Highlight Status</u> Gr Amber	<u>Strategy</u> Convert tape cartridge tax rate exchange process to a file transfer protocol. <u>Comment</u> Due to legislative and program changes which required DIT resources, this project has not been addressed.
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1.8 Objective: MISDU (Michigan State Disbursement Unit) Friend of the Court Electronic Payments

Objective: The UIA currently issues paper checks to MISDU for child support payments withheld from claimants benefit payments. With the current claims load, the agency is issuing over 20,000 paper checks a week to MISDU.

<p><u>Highlight Status</u></p> <p>Gr Amber</p>	<p><u>Strategy</u></p> <p>The UIA will work with IT and staff at MISDU to develop a more cost effective and efficient way of forwarding child support payments to MISDU. The preferred method will involve sending MISDU an electronic file of all the payment info, and then sending an ACH wire transfer of the funds owed. This method will allow MISDU to process the electronic file without having to manually process, and will enable UIA to submit the funds without having to issue paper checks. The result will be a significant cost savings for the State of Michigan.</p> <p><u>Comment</u></p> <p>Most of the testing has been completed and the UIA expects to implement by 12/7/2009 Implementation is dependent on the availability of resources; which are currently scarce due to the implementation of the new federal extensions.</p>
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GOAL 2

System Redesign

The objective/goal will be completed by the projected date.

2.1 Objective: Unemployment Insurance System Redesign

Continue to work with the Department of Information Technology and the Department of Management and Budget on completing the RFP process.

<p><u>Highlight Status</u></p> <p> Amber</p>	<p><u>Strategy</u></p> <p>The agency's System Integration project will continue through FY2010. The project goal is to upgrade as well as integrate the Benefits, Adjudication and Tax systems into one cohesive system. This involves the integration of all current systems throughout the entire unemployment insurance program.</p> <p><u>Comment</u></p> <p>The agency is currently in the process of selecting a vendor to set up and run the Project Management Office (PMO) for this system integration project. In addition to setting up the PMO, this vendor will perform an assessment of other state UI system solutions to determine if customizing another state system is a viable option for Michigan. The PMO vendor will also be responsible for writing the Request for Proposal (RFP) for the Development & Implementation vendor. The project business team is in the process of finalizing the business requirements that will be included in this RFP.</p>
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<p>GOAL 3</p>

<p>Integrity Initiatives</p>

<p>The objective/goal will be completed by the projected date.</p>
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3.1 Objective: TFT&FA Automation of Field Audit Data

Objective: System changes to collect and report data for field audit investigations. These changes will also automate the ETA 581 report data for field audit and allow for data validation of this area. These changes are expected to be implemented by 09/30/2009.

<p><u>Highlight Status</u></p> <p>G Amber</p>	<p><u>Strategy</u></p> <p>This initiative includes changes to the automated system in the form of new computer programs, modified screen layouts, and new management reports.</p> <p><u>Comment</u></p> <p>Due to legislative and program changes which required DIT resources and changes in business requirements, this initiative has not been addressed. It will be addressed in Fiscal Year 2010.</p>
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3.2 Objective: Collection

Increase the number of legal referrals per collector per month to the Attorney General's Office to take judgment against new delinquent employers effective 1/1/2008. Develop a collaborative effort between the Collections Unit and Tax Enforcement Unit.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>The Collections Unit has seven experienced collectors and just hired two additional collectors in September 2008, who are still in training. The manager of collections Unit will increase the number of legal referrals from the current two per collector each month to three per collector each month for a total of 21 legal referrals each month effective January 1, 2009 for the first six months. By the beginning of the second half of the year, the two new collectors will be full trained and the number of legal referrals will increase to 27 for each month.</p> <p>Identify parameters of accounts that should be referred to Enforcement.</p> <p><u>Comment</u> Every month effective January 2009, each collector will review 20 delinquent accounts and will identify the accounts that are candidate for legal referrals. These accounts will be maintained in an Excel spreadsheet for each collector. Before the end of each month, three civil suit letters will be mailed by each collector. Because the employer is given 30 days to cure the delinquency, while the collectors are waiting for 30 days, they will continue to review delinquent account to add to the inventory of reviewed delinquent accounts. After the 30 days period has expired and the employer fails to cure the delinquency, each collector will prepare the legal referral and submit to the collections manager. Discussions between Collections and Enforcement have begun and a draft process has been created and is expected to be finalized by 3/31/09.</p> <p>Update: The change in the number of legal referrals per collector from 2 to 3 was implemented in January 2009. However, there were some changes in priority that the three legal referrals per collector were not met. From April 2009 – July 2009, the collectors reviewed over 22,000 liens, reviewed automated reports for delinquent accounts not assessed, and not liened</p> <p>The discussion with Enforcement Unit was completed and a process was finalized. However, with the change in priority, the process will be re re-implemented in January 2010. The goal was to clean-up all delinquent accounts so the implementation of the process will go smoothly.</p>

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3.3 Objective: Independent Contractor, 1099

Implement a 1099 management reporting system, increase percentage of misclassified wages audits to 50% of all field audits conducted, conduct audit reviews and estimate misclassification rates by broad industry, develop a methodology for targeting firms for audit selection, automate the 1482 'Request for Field Audit' distribution & assignment within the AWDS system, annually review & investigate IRS data of employers issuing 1099s and not register with UIA and aggressively monitor IRS data provided to the agency by 9/30/2008.

<p><u>Highlight Status</u></p> <p>Green</p>	<p><u>Strategy</u></p> <p>Work with DIT to develop a database to reporting purposes. Reviewing state resources & other national statistics on industries the Agency can look into. An Access database was created but additional work is needed to make the database functional. Increase the number of referrals for audits. Referrals have increased. Use database to track audit reviews and industry types. This function was to be originally to be completed through a contract with LML. That contract has since been cancelled. Reviewing state resources & other national statistics on industries the Agency can look into. Work with DIT to implement 1482 automation. Work to automate the 1482 process is ongoing. Annually review & investigate IRS data of employers using 1099s</p> <p><u>Comment</u></p> <p>A separate adjustment code to record financial adjustments as a result of Independent Contractor 1099 audits was added to the automated system March 2008.</p> <p>Database was completed in 2006. Modifications to database to be completed by 3/31/09. Educate Agency employees on misclassified wages by 9/30/09. The use of a database to track audit reviews & industry type is continuous and on-going. Review of state resources & other national statistics to be complete by 6/30/09. Automation testing of the 1482 was completed 10/08/08. Full implementation to be complete by 3/31/09. An automated bulk audit generation process is currently under development. A workflow process within the AWDS system was implemented for this area June 2008. A service request to include information collected from Independent Contractor 1099 audits on the field audit automated screens has been submitted to DIT. This change is expected to be implemented by July 2009. Unit has begun reviewing and investigating IRS data since 2004 and will continue on an on-going basis</p> <p><u>Update:</u></p> <p>➤ The 1099 Database was completed; however there were functional problems with the database. Modifications necessary to make the Access database functional were not completed and no new time frame</p>
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	<p>has been developed for completing modification to the database due to resource restrictions.</p> <ul style="list-style-type: none">➤ A review of 1099 data by industry was to be completed via a contract with Labor Market Information (LMI). Because the Agency's contract with LMI was not renewed, this goal is no longer in place.➤ Automation of the 1482 (request for field audit) has been completed but has not been used due to an executive decision regarding new 1099 cases. It is expected that this new process will be tested and used once new 1099 cases are resumed.➤ The automated bulk audit process is no longer valid. The original plan was to release contractor information as part of a request for audit (1482). Due to security concerns by the IRS, the Agency is prohibited from releasing such information as part of a case request.➤ All audits now flow through AWDS, so the goal has been reached. However contractor audits are simply routed to a single person for recording and tracking of those audits.
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GOAL 4

Expanded Training

The objective/goal will be completed by the projected date.

4.1 Objective: Tax Training


Objective: Complete training materials for all modules in conjunction with the Center for Learning & Development by 9/30/2008. Ensure that all staff has been trained and provide refresher training on an as-needed basis and when feasible, make available operating procedures on the Intranet for staff use by 9/30/2008. Refresher training for Tax Liability Examiners has begun and will be completed by 12-31-2007. Training material for the Tax Office and for the SUTA/IC Unit should be completed by 6/30/08. Tax Collections training material should also be completed by 6/30/2008. Training material for Field Audit, TFAS, Enforcement and Tax is anticipated that this will be completed in FY 2008.

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<p><u>Highlight Status</u></p> <p> Amber</p>	<p><u>Strategy</u></p> <ul style="list-style-type: none">➤ Update all training reference materials to include law changes and new issues➤ Finalize all updated operating procedures for posting on Intranet.➤ Complete procedures on Bankruptcy and Redetermination of Notice of Assessment (new) in Collections.➤ Finalize procedures for Team Support. <p><u>Comment</u></p> <ul style="list-style-type: none">➤ Refresher training was given on Tax Rates, Tax Liability, Account Maintenance and Secretarial/Duty. Collection refresher training was completed in October. ➤ All staff, which included Tax Enforcement, SUTA/1099 and Field Audit, was trained on Tax related matters. ➤ Posting of Operating Procedures were not accomplished due to the fact that the review process has not been completed and all procedures will be posted at the same time. <p><u>Update:</u> All refresher training will be completed by 12/31/2009. New hire training for Liability Examiners and Account Technicians completed 10/30/2009. New hire Collections/Tax Enforcement training will be held in January 2010.</p>
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4.2 Objective: Succession Training

Establish long-term (three year) talent development proposal to include options such as training, mentoring program, job shadowing and experiential learning challenge by 06/30/09.

<p><u>Highlight Status</u></p> <p>Green</p>	<p><u>Strategy</u></p> <p>Establish long-term (three year) talent development plan in collaboration with the other UIA executives and managers. Obtain talent data for UIA. Assess talent and development gaps. Research and identify relevant programs. Establish target goals and dates. Completion of plan development is targeted by 6/30/09.</p> <p><u>Comment</u></p> <p>UIA completed Phase I of the Departments' Strategic Workforce Planning process. "KEY Positions" were identified and "Position Assessment Worksheets" were completed for each KEY Position during the second quarter of the fiscal year.</p> <p>CLD began research of relevant information pertaining to the implementation of succession planning initiative. CLD team members completed the following tasks:</p> <ul style="list-style-type: none">➤ Attended webinars,➤ Met with others and discussed the departments strategic workforce plan efforts;➤ Gathered information on best practices from Talent Management, HR.com – The Human Resources Portal, Chief Learning Officer (CLO), and other industry leaders➤ Attended American Society of Training and Development (ASTD) conference sessions on succession planning➤ Purchased "Organizational Intelligence Surveys," and "Keeping The Keepers: The How-To of Engagement and Retention," presentations on discs➤ Reviewed the "9-Block Matrix" process used to identify strengths and weaknesses within staff and➤ Reviewed the Civil Service Commissions guide to succession planning. <p>Efforts will continue into FY 2010.</p>
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4.3 Objective: Leadership Development Training

Provide leadership training to enhance the knowledge, competencies and skills for management staff and as a management preparatory process for non-management staff in UIA. Groups 1 – 4 have completed the course series. Groups 5 & 6 shall be completed by 12/31/09.

<p><u>Highlight Status</u></p> <p>Green</p>	<p><u>Strategy</u> Request and obtain approval/funding for implementation. Once funding/approval is obtained, utilize the developed ten day schedule of LeaderShift training program. Identify participants with input from UIA management team. Contact executives and other presenters for availability. Reserve rooms, develop and copy materials. Completion is targeted by 12-31-09.</p> <p><u>Comment</u> CLD continued with implementation of leadership development via the <i>Manager's Skill Building Program</i>. This development program consisted of a series of classroom training sessions, on-line courses, discussion forums and workshops. Course topics included the following:</p> <ul style="list-style-type: none">➤ Managing Roles and Expectations➤ Organizational Culture and Paradigms➤ Creating a Professional Development Plan➤ Effective Communication➤ Coaching and Counseling➤ Leading Effective Meetings➤ Employee Motivation➤ Team Building➤ Labor Relations/Equal Employment Opportunity and Family Medical Leave Act <p>The Manager's Skill Building Program was comprehensive and in scope as a refresher for long-term managers and introductory supervisory skills for new managers. The more in-depth leadership development objective to complete Leadershift classes for Groups 5 & 6 will be continued into FY 2010.</p>
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5.3 Objective: Operating procedures for Field Audit, TFAS, SUTA/Independent Contractor, Enforcement and Tax.

Complete fifty percent of the Tax Office Manual procedures by 12/30/06 and fifty percent by 12/31/07. All staff will receive updated procedures and. Operating Procedures will be posted to the intranet when completed.

<p><u>Highlight Status</u></p> <p>Gre Amber</p>	<p><u>Strategy</u></p> <ul style="list-style-type: none">➤ Review and update fifty percent of the Tax Office manual procedures by December 2006, complete the remaining manuals by December 2007.➤ Finalized updated manual procedures and post on the intranet operating procedures by December 2007.➤ New functionality added to this unit is Quality Assurance. This entails a detailed review of multiple accounts and processes affecting those accounts.➤ Currently, Tax Office procedures are on target to be met by 12/31/07. Procedures for Collections and SUTA Independent Contractor are to be completed by 2nd quarter of FY 2008. Completion of procedures of Field Audit, TFAS and Enforcement will not be until late in FY 2008. <p><u>Comment</u></p> <ul style="list-style-type: none">➤ This objective has been modified to exclude Manual procedures and concentrate on Operating procedures due to limited resources. It is anticipated that all staff will receive Operating procedures by 06/30/2009.➤ Field Audit has completed 85% of procedures with an expected completion date of 03/31/2009.➤ Trust Fund Accounting has completed 60% of procedures with an expected completion date of June 2009.➤ The Tax Enforcement Unit will have 20% of the draft procedures completed by 03/31/2009.➤ SUTA has completed 60% of procedures with an expected completion date of 03/31/2009.➤ Independent Contractor procedures were completed April 2007.
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	<ul style="list-style-type: none"> ➤ Tax Office procedures were completed 06/30/2008. ➤ AWDS and Solvency Operating procedures were completed October 2008. <p>Update:</p> <ul style="list-style-type: none"> ➤ Due to difficulty in getting procedures approved, staff will not receive operating procedures until March 2010. Procedures will be posted on Intranet at that time. ➤ Completion of Tax Operating Procedures has been done, all awaiting final approval before dissemination. ➤ Tax Enforcement has completed 31 draft procedures and expects to complete another 30% in 2009-2010. ➤ Field Audit has completed 100% of their procedures as of 09/30/2009. ➤ TFAS is still working on new procedures, which was delayed to the new debit card/direct deposit process.
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5.4 Objective: Internal Communication Channel Improvements

Continued implementation with the internal communication committee regarding evaluating the committee's recommendations made in August 2005 for new internal communication pathways. Schedule semi-annual meetings (February and September) for the RICC improvements and internal communications.

	<p><u>Strategy</u> Schedule semi-annual meeting (February and September) for the RICC improvements and internal communications.</p>
<p>Green</p>	<p><u>Comment</u> Update: An internal communication committee meeting was not held during the designated time period due to workload increases; however, other improvements continue to be made. Improvements and revisions were made to the agency's newsletter, The BUZZ. Staff meetings continue to be held throughout the agency. Efforts will continue into FY 2010.</p>

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GOAL 6

Customer Focus

The objective/goal will be completed by the projected date.

6.1 Objective: Promote UIA's Internet Functionality for Employers

Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers Bureau, which involves identifying and training staff, develop packages and presentation material, and Speakers Bureau on the Internet. Expected completion date is 6/30/2007.

<u>Highlight Status</u> Gre Green	<u>Strategy</u> Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers' Bureau, to be completed by June 30, 2007. <u>Comment</u> The Surveys & MWA Outreach Unit met the above-mentioned deadline and has continued to achieve additional goals pass the date by updating the Speakers Bureau presentation to include EWAM's increased functionality and an article about the upgraded EWAM services appeared in the Advisor newsletter. Also, the unit developed a marketing plan with most action items completed. Those not completed, namely training of PRO staff, were bogged down by SOM travel and budget restrictions. Another action item, involving use of a Tax Office database of employer email addresses, has been completed and may be used for increased employer outreach. Also, in 2009 the Agency developed several webcasts to educate employers about EWAM and other employer programs and services, while numerous seminars were held statewide for the same purpose. Efforts will continue into FY 2010.
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6.2 Objective: Expand On-Line Services Offered to Employers

Expand on-line services offered to employers to improve customer service and provide more self-help options. Expanded services will include on-line payment and reporting history, e-registration application, management/statistical reporting for web applications, quarterly tax (payroll) report file submission process, staff functions using web applications to provide assistance to employers, and amended tax (payroll) report process. Expected completion by 9/30/07.

<u>Highlight Status</u>	<u>Strategy</u>
<p>Green</p>	<ul style="list-style-type: none">➤ Viewing of an on-line report and payment history for the employer was added in November 2006.➤ eRegistration was updated in February 2007 to include the changes made to Schedule B as a result the SUTA dumping legislation from Section 22b of the MES Act.➤ Management/statistical reporting were expanded for the web applications in March 2007. The enhancements included reporting on Powers of Attorney submitted, employers who have selected the 1020/1020R Final Report indicator, address changes submitted, and a dollar total for payments received.➤ The quarterly tax (payroll) report file submission process was implemented in Fiscal Year 2008.➤ Expanded staff functions for the web applications were implemented in FY2008. Additional statistical reporting was implemented in FY 2009.➤ The amended tax (payroll) report process was implemented in October 2008. The on-line discontinuance form (1772) was implemented in FY 2008..➤ An enhanced version of the view benefit charge statement application was developed to allow successor employers the ability to view their predecessors' benefit charge statements and implemented in FY 2008. <p><u>Comment</u> All of the initiatives in this objective has been met and additional initiatives were developed for Fiscal Year 2010.</p>

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6.3 Objective: Media Campaign

Objective: Continue to develop low cost media strategies to inform employers of new on-line functionality, law changes, new processes etc. This will be on-going as business practices dictate.

<p><u>Highlight Status</u></p> <p>Green</p>	<p><u>Strategy</u></p> <p>Employer seminars were added as a part of the media campaign for employers. These seminars included a program on the on-line services offered to employers, benefit charging, appeals, SUTA dumping, and the misclassification of wages as it relates to independent contractors.</p> <p><u>Comment</u></p> <p>Ten seminars were conducted in the fall of 2008 and were very popular. This initiative will be continued in Fiscal Year 2010.</p>
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GOAL 7

Workload Management

The objective/goal will be completed by the projected date.

7.1 Objective: Adjudication Workload Management

Evaluate the Accepted Level of Performance (ALP) quarterly timeliness and quality standards, and establish measurable goals to improve the adjudication process for a three-year period. Improve the Agency's score of the Federal Acceptable Level of Performance (ALP) for Non-Monetary Timeliness to 50% by September 2010. Meet the ALP for Quality by September of 2011.

<p><u>Highlight Status</u></p> <p>Grade Amber</p>	<p><u>Strategy</u></p> <p>Continue to train and improve the adjudication skill of all examiners, maintain 250 full time writers, continue mandatory overtime until the workload is reduced. Send only experienced staff to BTQ scoring to ensure our scores are accurate.</p> <p><u>Comment</u></p> <p>The agency has developed a three year plan to achieve the Federal ALP for Non-Monetary timeliness. The Agency made tremendous progress toward meeting the Federal ALP through mid 2008. At the end of 2008 and much of 2009 the Agency's workload increase on average 70%. Also in 2009 three Federal extensions were enacted that further increased the Agency's workload. These issues have resulted in the elimination of the workload gains. This goal will be updated based on new workload levels and additional benefit extensions. This objective will be continued in 2011.</p>
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7.2 Objective: Implementation of the Emergency Unemployment Compensation (EUC) and Extended Benefits (EB) Programs

Interpret federal legislation, develop policies, procedures and programming to implement the payment of extended benefits to long-time unemployed workers.

<p><u>Highlight Status</u></p> <p>Green</p>	<p><u>Strategy</u></p> <p>Develop policies and procedures to implement the distinct extended benefit programs. Create the new claims and payment applications, as well as modify existing programs. Develop notification mailers to qualified claimants and public outreach information. Provide staff training and tools for the effective implementation of these programs.</p> <p>Congress passed multiple extended benefit programs, each with its own effective date of implementation.</p> <ul style="list-style-type: none">➤ EUC Tier 1 implemented 7-08.➤ EUC Tier 2 implemented 11-08.➤ EB implemented 1-09➤ Federal Additional Compensation (FAC) \$25 payment implemented 2-09➤ EUC Tier 2 Augmentation 11-09➤ EUC Tier 3 11-09➤ EUC Tier IV <p><u>Comment</u></p> <p>All federal and state extended benefit programs were implemented successfully and on time. Federal legislation occurring in the 1st or 2nd quarter FY 2010 will affect continued efforts to develop procedures and modify existing programs.</p>
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PROCESSES AND SERVICES

Processes and services are developed based on the following:

- The state unemployment rate
- Priorities and timeframes established by and/or originated from Governor; DELEG Director; and Deputy Director;
- U.S. Congress, USDOL, and the State Legislature.
- Collaboration with other states and implementation of federal mandates
- Gathered and analyzed customer feedback based on the ease and ability to use the technology.
- Laws, rules, regulations, procedure manual, reports, claimant and employee feedback
- Employer and Claimant Customer Relations hotlines
- UIA staff requests
- The Advocacy Program
- Claimant and employer Surveys
- Customer phone contacts
- Customer written communications
- Comment cards

PROGRAM EFFECTIVENESS (2009)

Program Goals/Metrics

See charts in Powerpoint Presentation program

Performance Measures

Timeliness, Accuracy, and Customer Satisfaction as applied to:

- Federal Reports
- Answered Customer Calls
- Acceptable Level of Performance
- Tax Collections
- Benefit Payments

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PROGRAM IMPROVEMENTS MADE IN FY 2009

- **Workflow Process Analysis** - In an effort to improve the efficiency of the Benefit Payment Control Unit (BPC), a Workflow Process Analysis has been initiated, along with the assistance of the Center for Learning & Development. The analysts have been tasked with reviewing the work of the team to determine the feasibility of processing the work in a different manner. After collecting information about how each team member processes the work, they will review and make recommendations for improvement. This is an on-going project that will continue into the upcoming reporting period.
- **Tax Performance System (TPS) Unit** – An analyst was added to the TPS staff to assist the TPS Auditor in the collection and auditing of Michigan's UI Employer Tax System. This addition is in compliance with a request by the Federal Department of Labor and has assisted in making the TPS review more efficient.
- **Misclassification of Employees** – The misclassification of employees is a problem that impacts employers, workers and government. UIA is taking action to correct the problem in Michigan through the Governors Executive Order No. 2008-1, Interagency Task Force on Employee Misclassification. UIA is now partnering with the Workers' Compensation Agency, Wage & Hour Division and Department of Treasury investigating the misclassification of workers. Data is also received from the IRS to investigate inappropriate use of 1099s. Public meetings and hearings have been held and completed. Public meetings may continue as needed.
- **Tax Enforcement** - We worked with the Department of Treasury and developed a method to properly send Notices to Withhold to them for severely delinquent employers that are unwilling to comply. These employers are either vendors of the state or receive reimbursements from the state (i.e. Medicaid payments).
- **Employer Special Projects** – This the first year in many that all tax staff has been given in-depth hands-on training. This is the first year that new hires received lengthy training on the functional area they were hired into (liability, tax rates, and account maintenance). New hire training for new collectors has been written and sessions will be held in January-March 2010.

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- **Employer System Support** - On-line services for employers: eRegistration and EWAM were integrated in the Michigan Business One Stop web portal. An electronic version of the Employer Handbook was added as a resource tool available to employers with EWAM accounts. Bulk tax payment option (allows for the submission of an electronic file providing the distribution of one ePayment) was implemented. Series of webcasts providing step-by-step instructions for employers for on-line services were developed and launched under UI Tube. Implemented changed to the WOTC Oracle system to include two new target groups created by the Reinvestment in America Act. Develop and implement modifications to the voluntary payment process to allow for voluntary payments to avoid solvency tax. Develop and implement a quarterly automated inactivation process for reimbursing employers to comply with TPS guidelines. Implement program changes needed to waive solvency tax for 2009 and 2010 due to the Reinvestment in America Act.
- **Combined effort of Tax (includes Misclassification & SUTA), Employer System Support:** Employer seminars were scheduled and conducted covering the following subjects: on-line services for employers (EWAM, eRegistration), benefit payment overview, appeals, tax overview, misclassification and SUTA Dumping.
- **Videoconferencing Technology:** Within seven (7) months of installation and successful testing, UIA host a minimum of six (6) meetings, workshops, conferences, training, or presentation utilizing the videoconferencing system. Also includes a series of presentations that will allow agency staff to listen to the work of various units in an effort to gain a better understanding of each units work processes. Efforts will continue into FY 2010 for complete implementation.
- **Learning League** – To increase the training skills and ability of agency subject matter trainers, the Center for Learning and Development upgraded their Train the Trainer program for Learning League members. The Learning League members were called upon to provide New Hire Training to over 400 new employees in a short period of time during the rapid start-up of the Lansing Call Center. They were recognized by the agency director for their diligent response in this effort. In addition, selected Learning League members were recognized in the agency newsletter, the BUZZ, and all members were recognized during recognition celebration(s).
- **Level 3 Training Evaluations** – Center for Learning and Development piloted this process last fiscal year and based on the results expanded use of the process this year to include two performance improvement/training initiatives. The first Level-3 evaluation was completed for a customer services improvement process that CLD coordinated on behalf of and in collaboration with the BOC unit. The second Level 3 evaluation process was completed to evaluate the seven (7) day, new hire training initiative. The purpose of the Level 3 Evaluation process is to assess the transfer of knowledge learned during training class(es) and then applied or transferred when performing on the job. Process will continue as needed in FY 2010.
- **Managers Skill Building Process** – The Center for Learning and Development created and implemented the Managers Skill Building process to continue the leadership development process by building upon previous training and providing additional tools to enhance the capabilities of both experienced and new managers. Process will continue in FY 2010.

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- **Customer Services Program** - The Center for Learning and Development created and implemented in collaboration with the Benefit Overpayment Collections unit a customer services performance improvement/training program. The program included Quality Review process, Results Meetings, Training for staff and manager and other efforts including video discussions, and reading and discussion assignment.

PROGRAM IMPROVEMENT PLANS FOR FY 2010

Goal 1: Technology Enhancements

1.1 CAMS (Case Audit Management System) Phase 3

Objective: Develop and implement an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. There are three CAMS implementation phases. Phase 1, completed in FY2008, collects and reports on data from the UIA Benefit-Wage Crossmatch, the National Directory of New Hires Crossmatch, and the Drivers License/Identity Crossmatch. Phase 2, was completed in 2009 which replaced and enhanced the previous Benefit Fraud Investigation's individual case tracking system and brought the group's activities within the CAMS system. In Phase 3, the Integrity Initiatives group will use CAMS to generate reports to review UIA information for specific integrity areas of interest, such as multiple claims with the same/nearly the same addresses or same telephone numbers used to file multiple claims. Phase 3 is a projected goal which is predicated on the Agency's System Redesign Project. Goals for 2010 are to remain an active stakeholder in the development of the CAMS implementation phases. The use of the CAMS data is expected to result in the reduction of benefit overpayments and fraud.

1.2 Electronic File Submission of Wage Detail Reports

Objective: As part of the Tape Drive Elimination project - for cost savings and keeping up with technology, UIA is transitioning to online file submission as another method of transmitting employer, vendor, and federal/state agency data. The transition of payroll service providers and employers from filing wage detail reports by tape to online electronic file submission methods continued with much success in 2009. Only one company, doing business under two names, remains in transition and these service providers are scheduled to test their programming in December 2009 and file actual 1st quarter 2010 data by 1-25-2010. Efforts will continue into FY 2010.

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1.3 Employer Special Projects

Objective: Special Projects requested several system enhancements, in the past, that will facilitate consistency and timeliness when making adjustments to employers account or responding to their requests. These service requests will make the Agency better prepared when presenting exhibits and evidence at hearings. This is connected to our quality assurance efforts and must be pursued in FY 2010. Automated Statement of Accounts will reduce user errors because the financial information is pulled directly from the system. Automated consolidation of tax accounts or merger of tax accounts will mandate **no manual transactions** on the Agency's part. Correction of several system processes that do not match the letter of the law has also been requested.

1.4 Employer System Support

Objective: The following system enhancements implementation will be worked on by Employer System Support in FY 2010: EWAM for the submission of Form UIA 1110 for the Michigan tax credit available in FY 2010; Automated enrollment process for EWAM to increase employer usage of the services by December 31, 2009; Michigan Business One Stop project to enhance the on-line tools provided to employers; Automated personal tax lien process to enhance collections of delinquent taxes; and Automated termination process for reimbursing employers to comply with TPS guidelines.

1.5 Collection Software

Objective: Implement collection software that assists in overpayment collection activities by automating various components of the process which will allow a more efficient use of staff resources and higher restitution recovery rates.

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Goal 2: System Redesign

2.1 System Rewrite

Objective: The agency's System Integration project will continue throughout FY 2009. The project goal is to upgrade as well as integrate the Benefits, Adjudication, and Tax systems into one cohesive system. This involves the integration of all current systems throughout the entire unemployment insurance program.

The agency is currently in the process of selecting a vendor to set up and run the Project Management Office (PMO) for this system integration project. In addition to setting up the PMO, this vendor will perform an assessment of other state UI system solutions to determine if customizing another state system is a viable option for Michigan. The PMO vendor will also be responsible for writing the Request for Proposal (RFP) for the Development & Implementation vendor. The project business team is in the process of finalizing the business requirements that will be included in this RFP.

Goal 3: Integrity Initiatives

3.1 Tax Enforcement Unit

Objective: We plan to coordinate efforts with the State of Michigan Department of Treasury to share their Discontinuance of Business Form. These forms will then serve as source documents for us to inactivate the employer accounts that have (8) estimated quarters in the UIA 3270 system. This will significantly reduce the accounts on the D-Run report.

3.2 Department of Corrections (DOC) Crossmatch

Objective: Automated crossmatch program to identify participants in the Youth Offender Program those participants who have returned to work by crossmatching participants with UIA wage record data. This identifies youth offenders who have become employed. Completion date on this goal depends on resources from the other agency, but estimated completion date is by July 2010.

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 109 Bureau of Worker's and Unemployment Compensation

PROGRAM: UNEMPLOYMENT INSURANCE

Goal 4: Expanded Training

4.1 Learning League

Objective: The Center for Learning and Development (CLD) will continue to increase the training skills and ability of agency subject matter trainers, Learning League members. CLD has upgraded their Train the [Trainer](#) program for Learning League members.

4.2 Level- 3 Training Evaluations

Objective: The Center for Learning and Development (CLD) will continue to assess the transfer of knowledge learned during training class(es) and then applied or transferred when performing on the job using the Level-3 evaluation process. The first Level-3 evaluation was completed for a customer services improvement process that CLD coordinated on behalf of and in collaboration with the BOC unit. The second Level- 3 evaluation process was completed to evaluate the seven (7) day, new hire training initiative.

Goal 5: Communications

5.1 Employer Customer Relations

Objective: Plans to be developed in FY 2010 are as follows: execute an outreach plan to promote UIA's updates to the employer [communit](#) by March 2010 (this will be on-going as business practices dictate); [expand the Employer Listserv \(email database\) capabilities](#) which would allow employers and/or employer groups to subscribe and receive employer related updates from the Agency, by September 2010; and develop a series of [Employer Seminars](#) to educate the employer community on various unemployment topics, to be completed by 12/31/2009.

5.2 TFT&FA Self-Help Tutoring

Objective: Develop reference materials created for self-help hands on tutoring. Staff must be empowered to seek assistance for themselves when they feel their skills are not up to par or lacking. Staff, through on-going automatic alerts should be encouraged to avail themselves of these on-line self-help applications right at their own work stations.

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 109 Bureau of Worker's and Unemployment Compensation

PROGRAM: UNEMPLOYMENT INSURANCE

Goal 6: Customer Focus

6.1 Conduct Employer Survey of UIA Performance

Objective: To measure employer perceptions of Agency performance and delivery of services to employer and unemployed worker customers, conduct a survey with a sample of 10,000 employers and compare the results with the last employer survey. A focus group was assembled with management and staff from many parts of the Agency. After a couple of meetings, the focus group came to a consensus on a set of prioritized questions, per Director Stephen Geskey. These questions were formatted into a draft survey accompanied by a memo comparing the pro's and con's of an online survey vs. a survey mailed to a sample of 10,000 employers. The Surveys & MWA Outreach Unit is awaiting Executive Office approval to proceed with the survey and whether it will be an online or mailed survey instrument. Estimated completion date is June 2010.

6.2 TAA Study

Objective: Michigan is participating in a US Department of Labor study on the effectiveness of the TAA/TRA Program – training programs, income support, trends, etc. In Michigan, this study involves UIA, the Bureau of Workforce Programs and the Michigan Works! Agencies. An initial database sweep was completed and sent to the contractor on 01/09/2008 for analysis. Two more database sweeps will be performed in 2009 and 2010. The UIA portion of the study will be completed following data base sweeps unless USDOL requests additional information.

6.3 Employer Customer Relations

Objective: Develop and implement the following plans by April 2010: to receive, assign and respond to employer emails in a timely basis; and increase the percentage of assisted calls and decrease the average response time.

6.4 Tax Office/WOTC

Objective: Introduce WOTC to On Line Services by having employers file a single application and/or multiple applications and view/print the determinations from the internet, decreasing the use of paper and postage in mailing the determinations.

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 109 Bureau of Worker's and Unemployment Compensation

PROGRAM: UNEMPLOYMENT INSURANCE

Goal 7: Workload Management

7.1 Adjudication Timeliness

Objective: UIA expects to meet the USDOL acceptable level of performance of 80% for non-monetary separation and non-separation determinations by the end of fiscal year 2011; 50% for 2010.

7.2 Postal Soft

Objective: Postal Soft, now known as IQ8, is a software that validates mailing addresses to ensure proper mailing of decisions and documents, and to reduce returned mail and associated postage costs. Due to other critical and time-sensitive priorities, such as implementation of the EUC, EB and FAC programs, technology resources had to be diverted, putting the implementation of Postal Soft on hold awaiting resources. The development progress status is currently listed at 40%, prior to being placed on hold. Expected implementation date is during FY 2011.

7.3 Restitution Collection Activity

Objective: Enhance claimant restitution collection activity by utilizing a team of regulation professionals to enforce the terms of payment agreements and more aggressively collect restitution and penalties owed to the UI Trust Fund due to improperly obtained unemployment benefits.

7.4 Reduction of Duplicate 1020s

Objective: Reduce duplicate items in Error Suspense through review of every 1020 reports that come to the Tax Office before sending to the Lockbox. This will require Accounting Assistants to review 1020 reports before batching to go to the lockbox. This is a manual review and ongoing until a program change is made to identify duplicate reports and write in an Error Report.

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 109 Bureau of Worker's and Unemployment Compensation

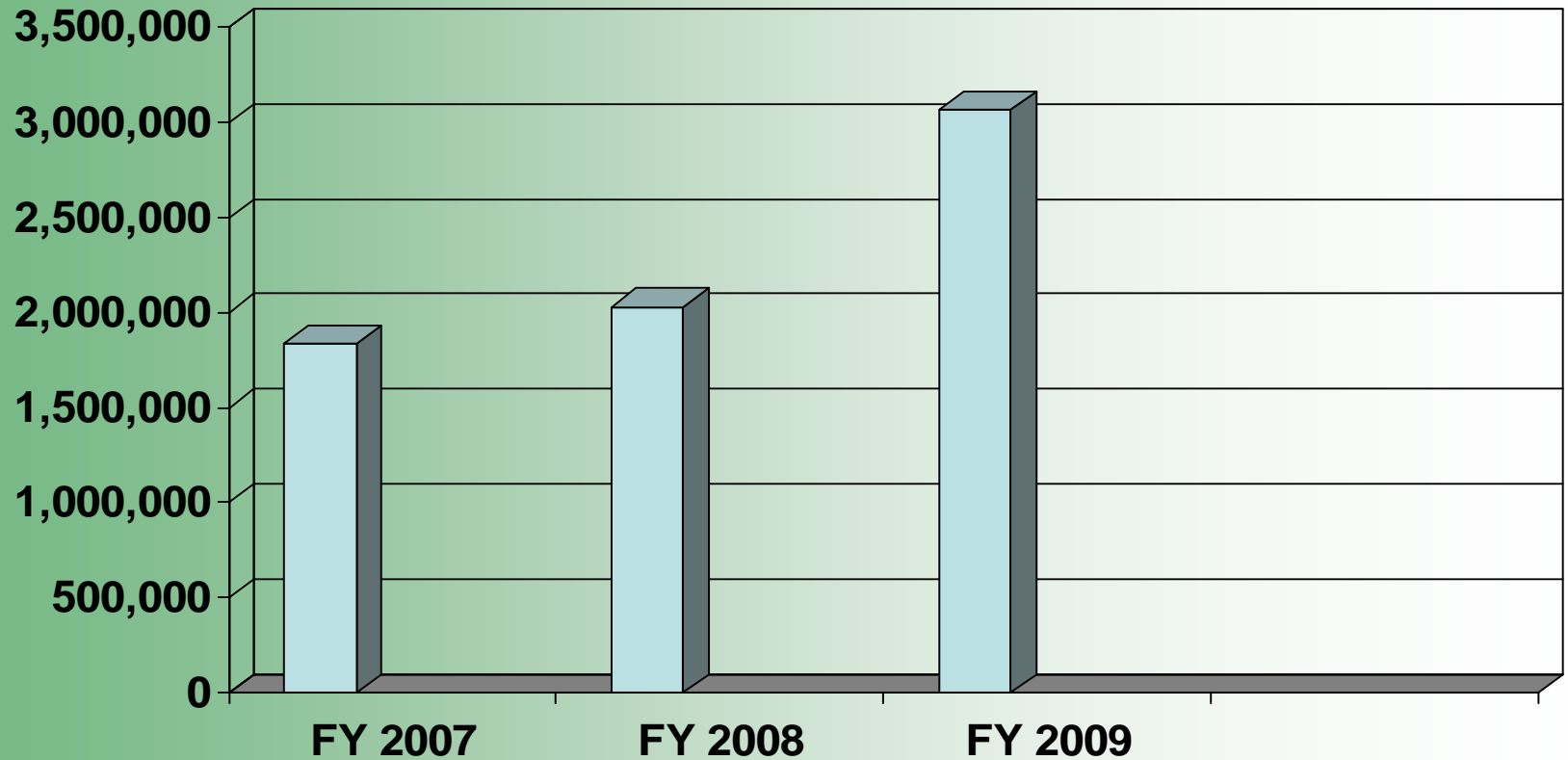
PROGRAM: UNEMPLOYMENT INSURANCE

CHALLENGES FOR FY 2010 and BEYOND:

- Staff Resources – Current budget issues may not allow for additional staff. The challenge is to maintain service levels and timeliness with the current resources.
- Collecting enough taxes, interest, and penalties to pay UIA benefits.
- Quality assurance efforts have faced many obstacles in the past, especially due to the layers of supervision and their knowledge skills. This has to be worked on because inaccuracies and misinformation has a serious impact on customer service.
- Systems Rewrite – The agency has begun the process to rewrite the benefit, adjudication and tax systems. The challenge will be to continue the rewrite project, acquiring necessary resources and staying on schedule with available funding. The current systems face critical risks due to its age within the next year due to support and service delivery issues.
- Reducing Workloads – With the 15% unemployment rate the Agency has a backlog in number of areas that need to be addressed in 2010 and beyond. The level of ongoing claims filing and federal extensions will significantly affect when these backlogs are addressed.
- TTFFA staff training and development - Focus additional resources on development and updating of training materials for TTFFA to address new legislation, SUTA dumping, solvency tax, misclassification, and other priorities within the division. Currently, there is only one writer/developer detailed to Center for Learning and Development. Additional writers/developers with significant tax background would enhance this effort.



Unemployment Insurance Agency Customer Services Total Telephone Call Received From Unemployed Workers



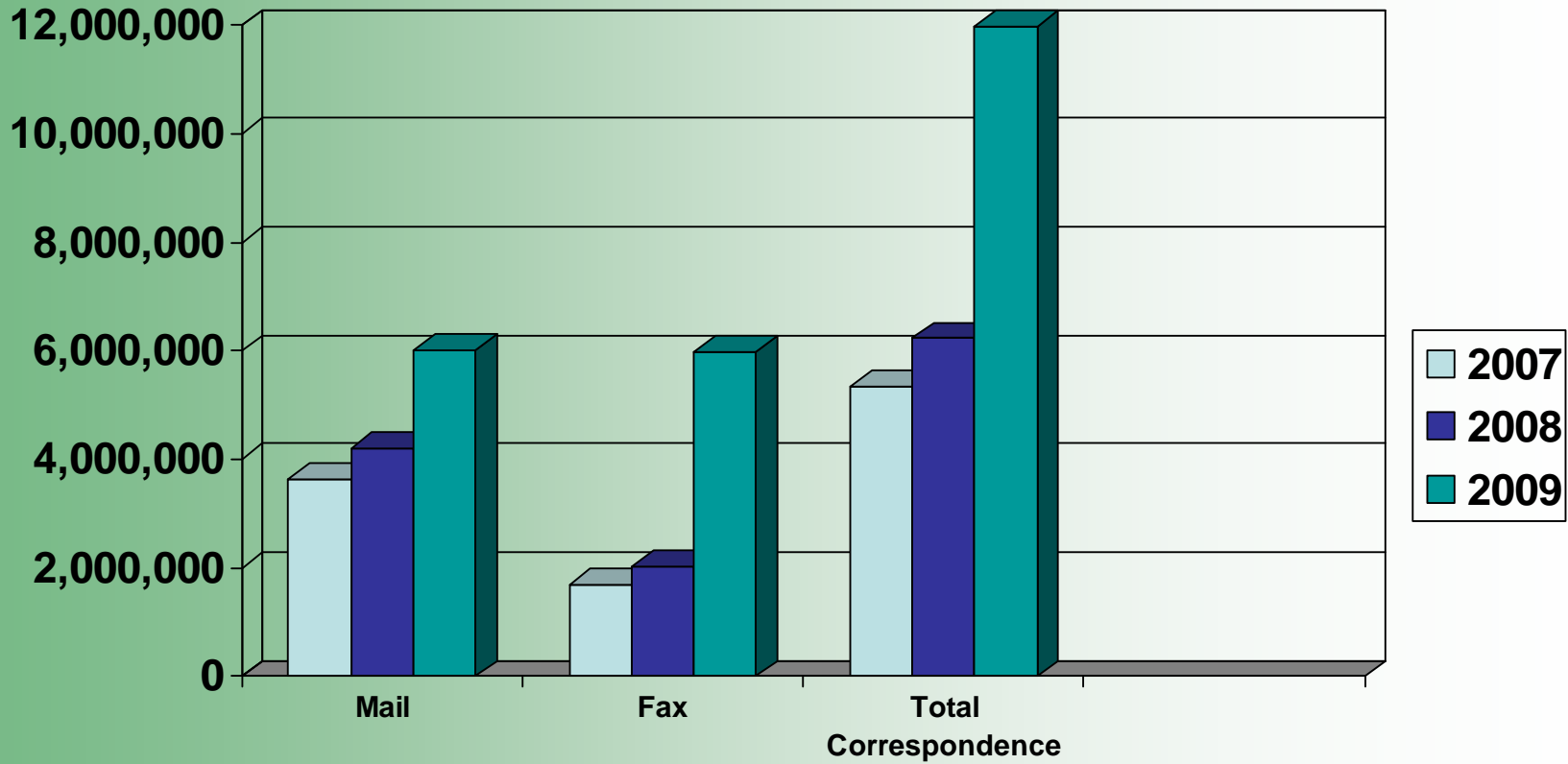
Comments:

Ninety three percent (93%) of total telephone calls were answered, with the exception during the three peak weeks



Unemployment Insurance Agency Customer Services Correspondence Handled By The Work Distribution Center

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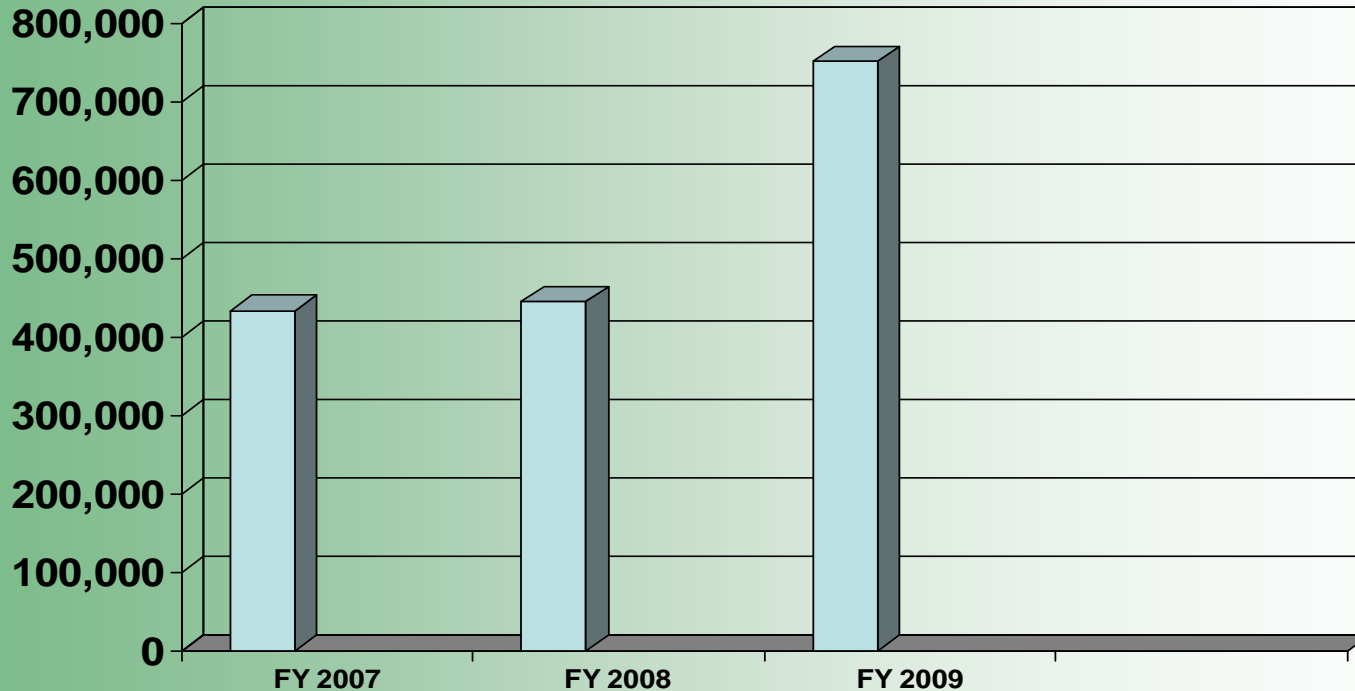


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Unemployment Insurance Agency Customer Services Adjudication Cases Closed

Working to Create Michigan's Future Today



Comments:

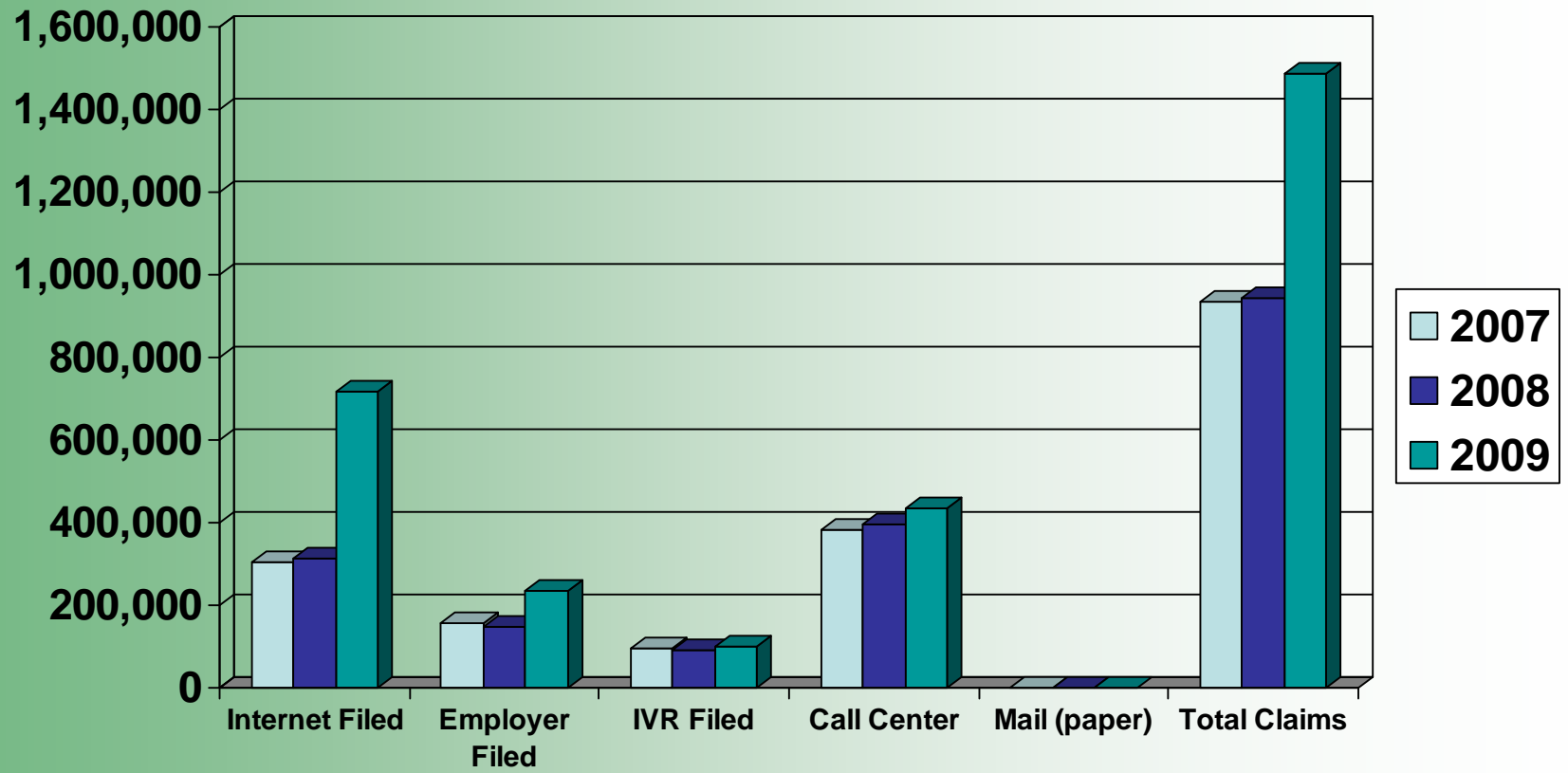
The determination of unemployed workers eligibility for unemployment insurance (UI) benefits is a critical UI program function. When issues arise that may affect an unemployed workers past, present or future benefits, the agency is responsible for determining the unemployed worker's eligibility for those benefits. Such determinations may also affect an employer's liability for benefit charges, depending on the type of issue adjudicated. The agency's work impacts the rights of both the unemployed worker and employers. Through the non-monetary determination process, all necessary facts concerning an issue must be gathered from unemployed workers and employers, or a reasonable attempt must be made to obtain such facts and a determination is rendered to ensure that payments are made when due.

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Unemployment Insurance Agency Customer Services Claims By Filing Method

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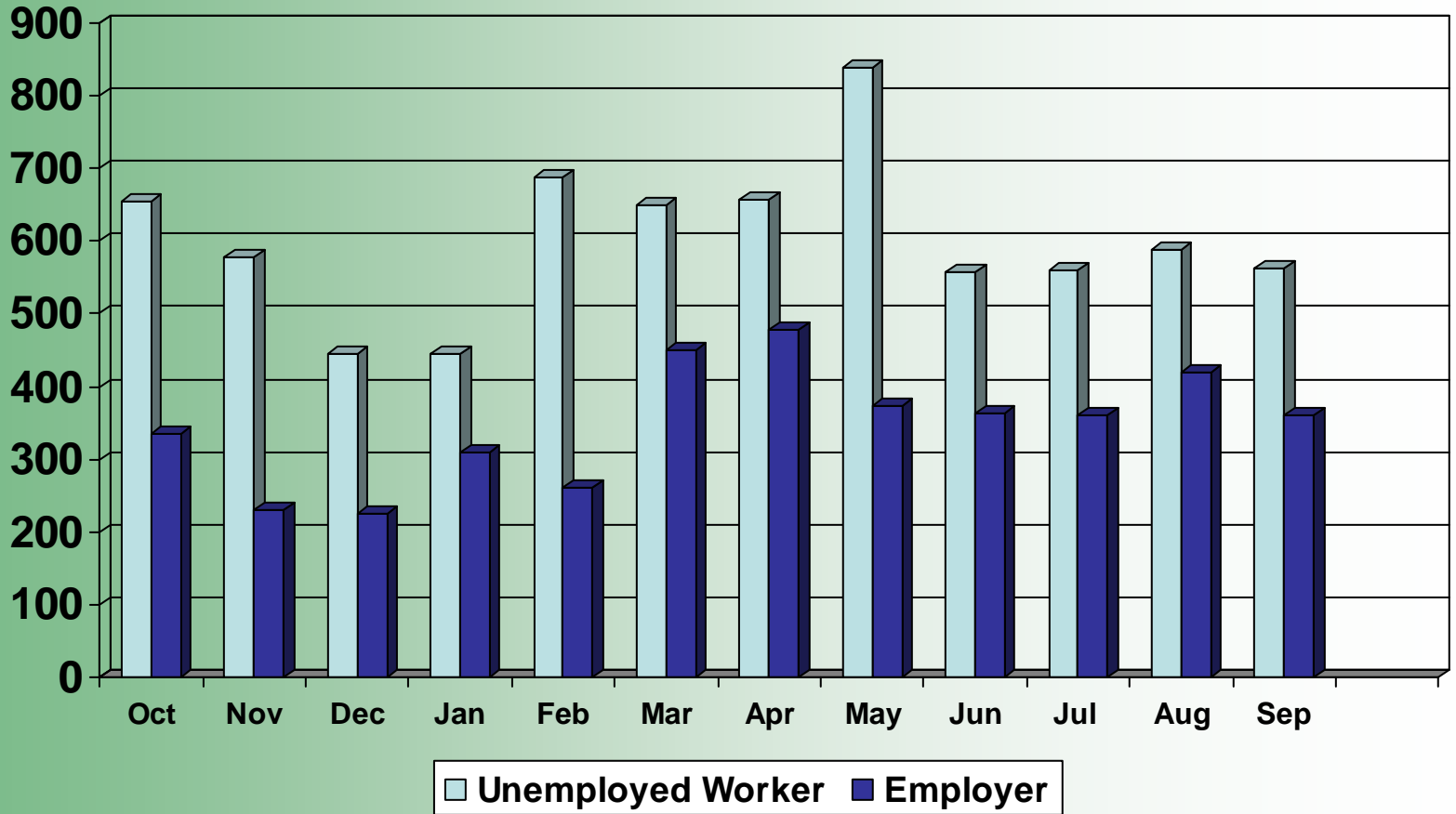


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Unemployment Insurance Agency External Benefit Services Advocacy Program Closed Cases

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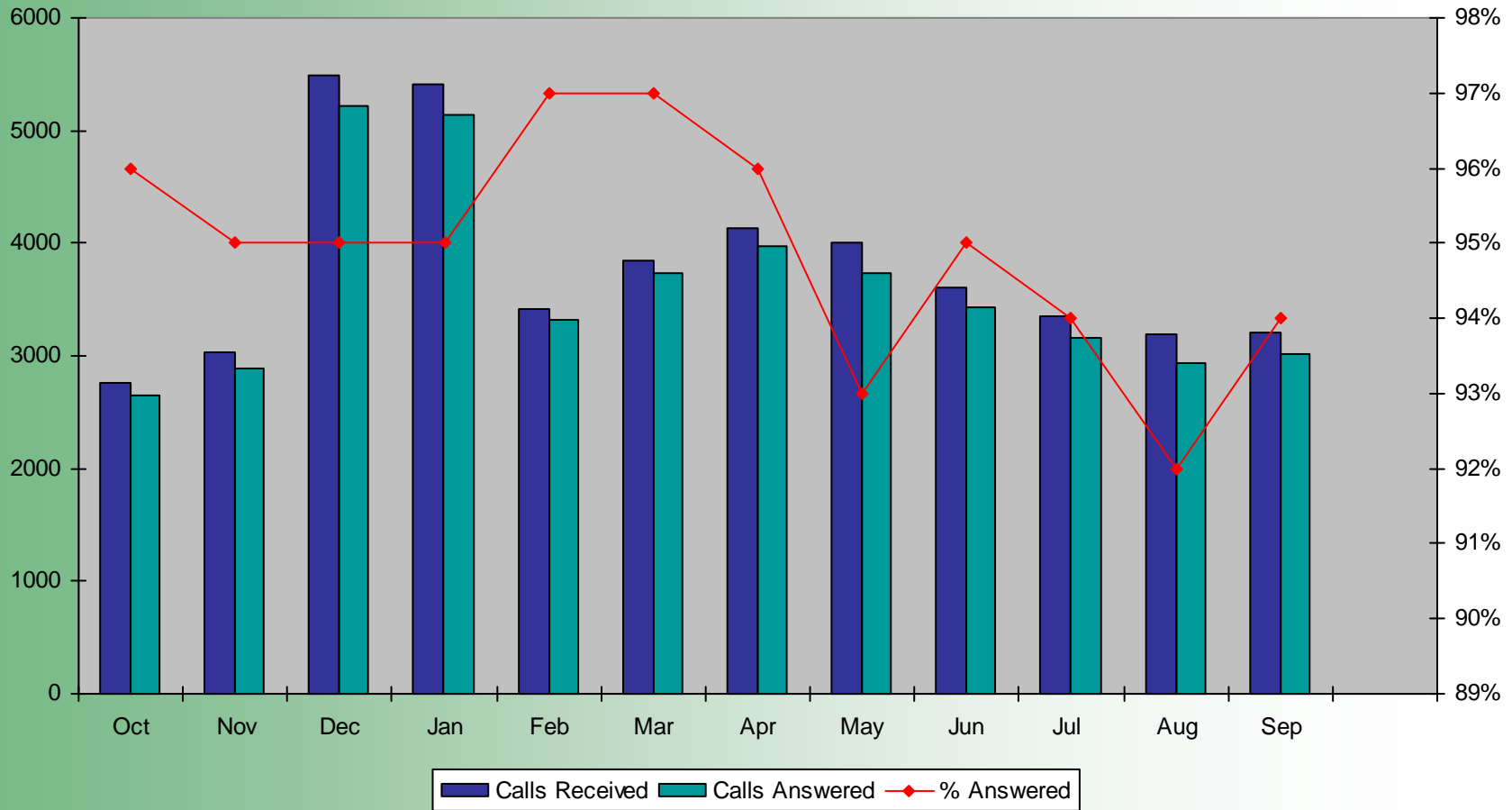


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Unemployment Insurance Agency External Benefit Services FY 2009 Advocacy Program Calls

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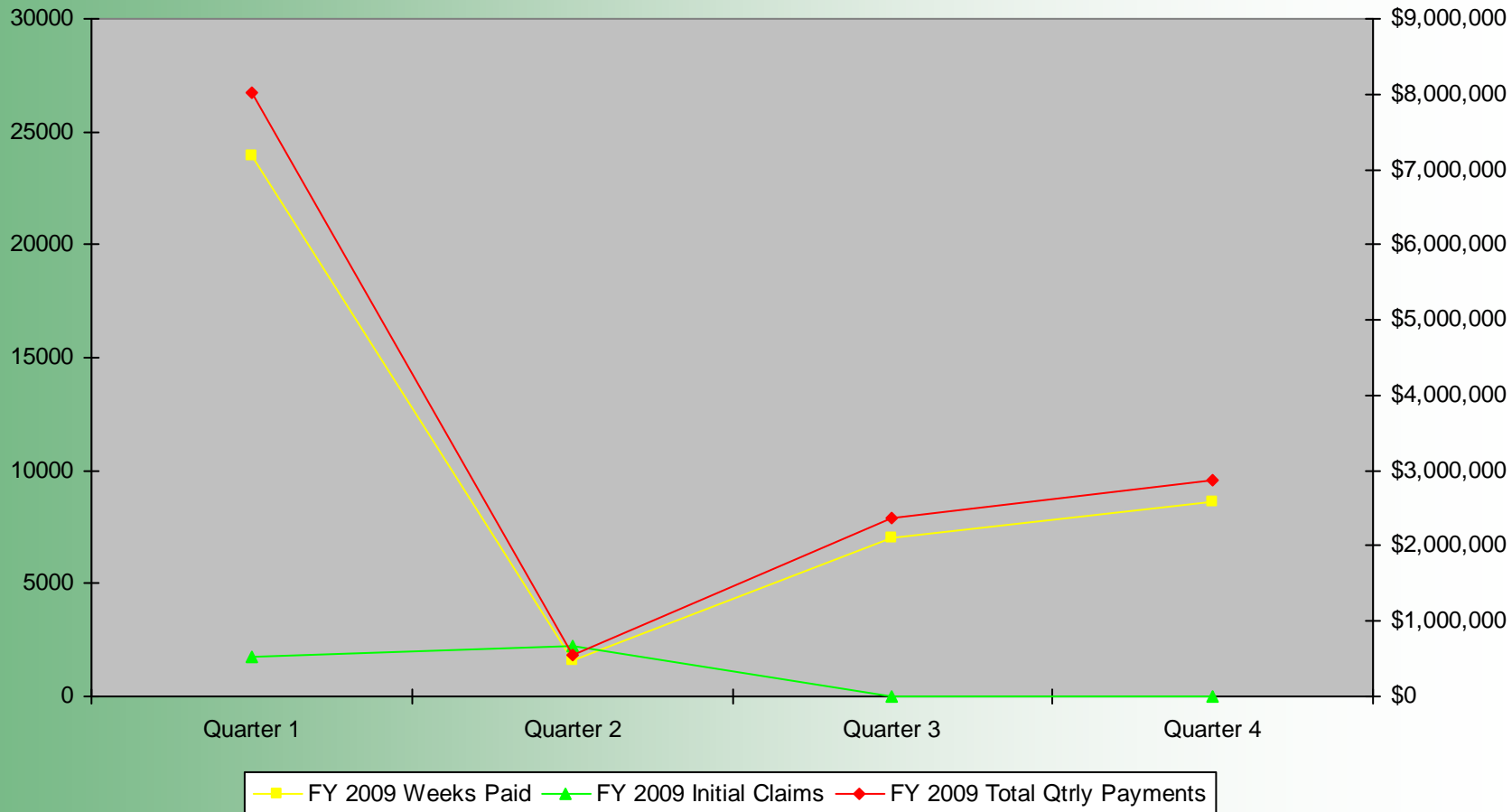


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Unemployment Insurance Agency External Benefit Services FY 2009 TRA Weeks Paid, TRA Initial Claims, TRA Benefit Payments

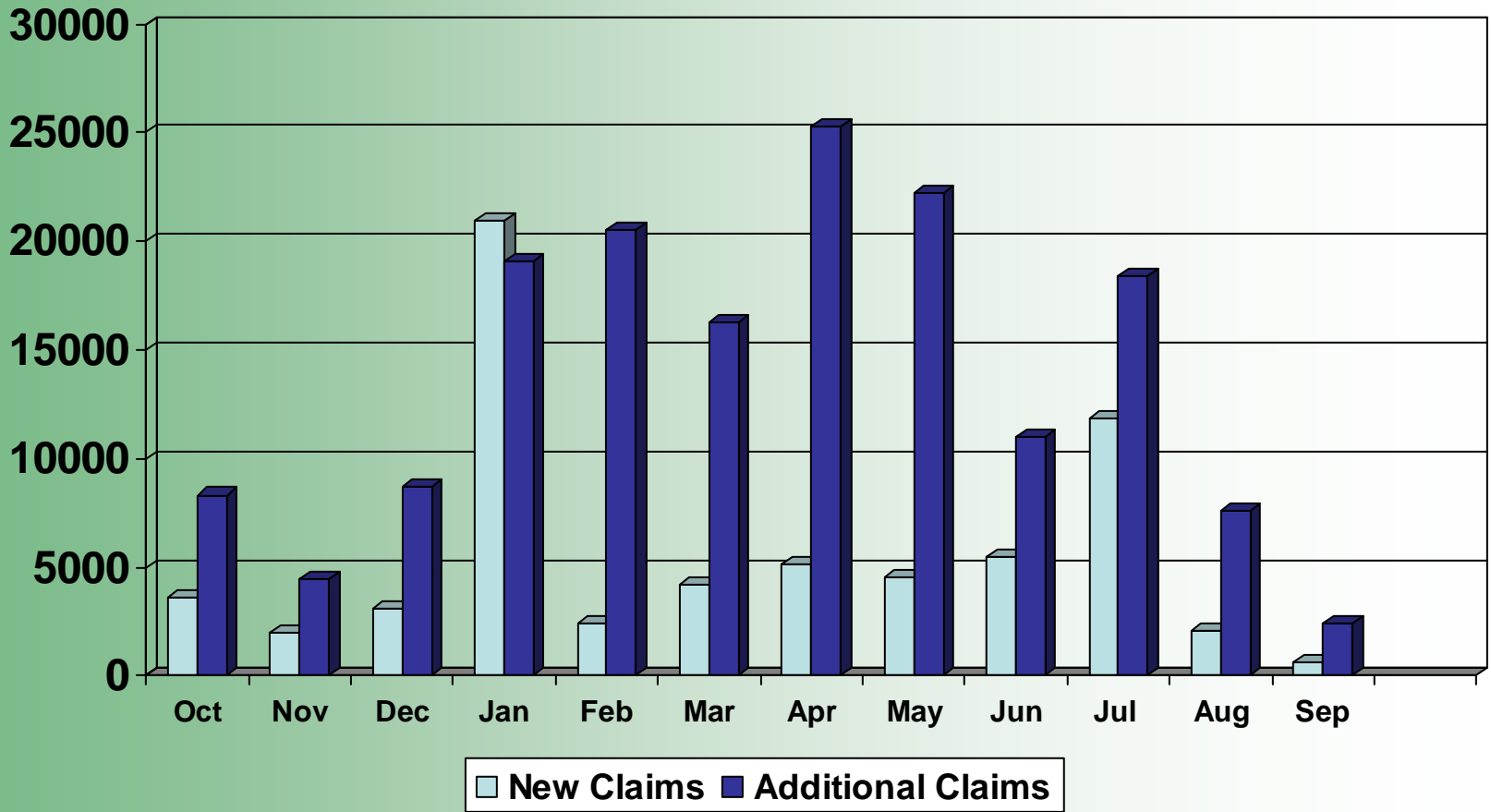
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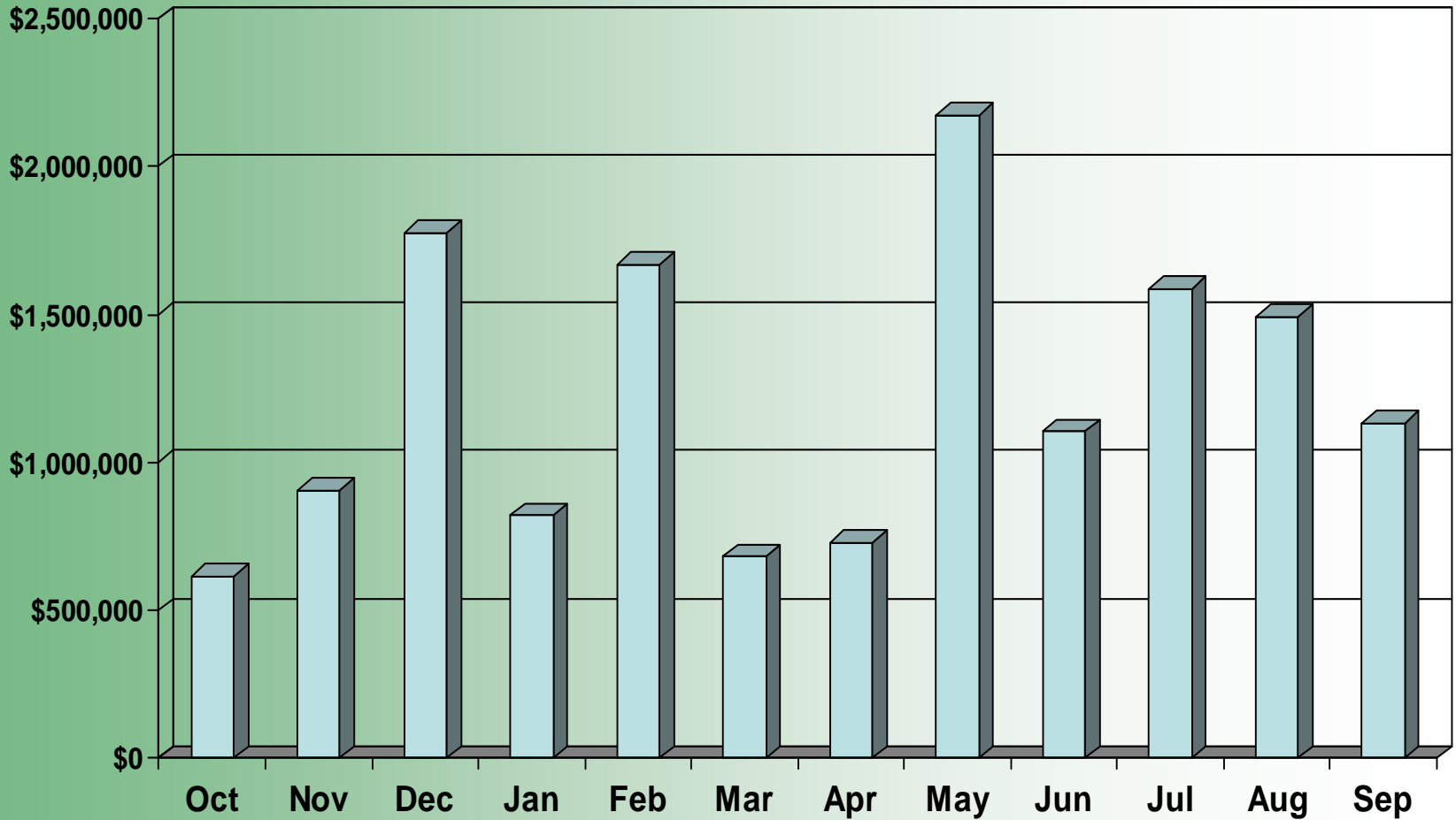
Unemployment Insurance Agency Internal Benefit Services FY 2009 Employer Filed Claims





Unemployment Insurance Agency Internal Benefit Services FY 2009 Restitution Established

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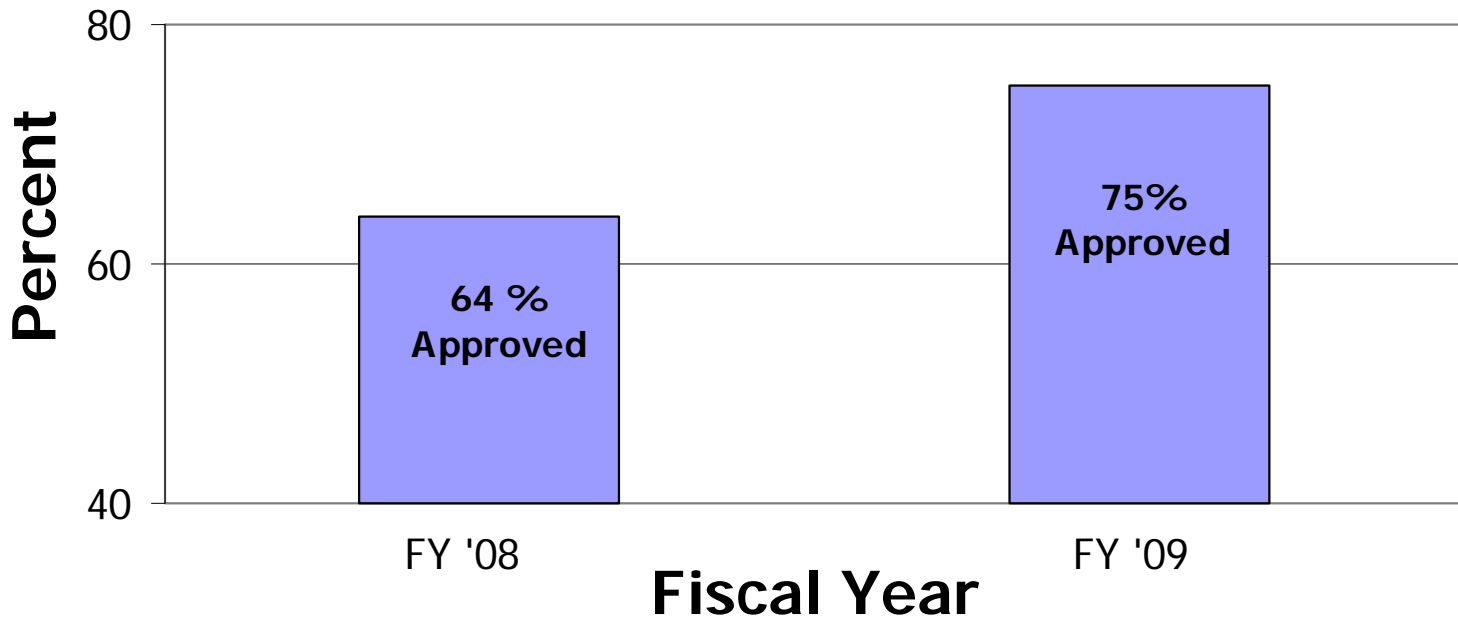
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**Division of Trust Fund, Tax & Field Audit
Tax Office
WOTC Unit**

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Work Opportunity Tax Credit Program Total Certifications FY08 vs. FY09



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Division of Trust Fund, Tax & Field Audit Tax Office WOTC Unit

WORK OPPORTUNITY TAX CREDIT PROGRAM					
TOTAL APPLICATIONS PROCESSED FOR FY08					
Quarters	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/07	5745	5090	328	11163	23,064
1/08	6265	5199	437	11901	
2/08	7615	6210	1153	14978	26,799
3/08	5381	5406	1034	11821	
Total	25,006	21,905	2,952	49,863	
WORK OPPORTUNITY TAX CREDIT PROGRAM					
TOTAL APPLICATIONS PROCESSED FOR FY09					
Quarters	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/08	4754	5455	1073	11282	27,600
1/09	7559	7182	1577	16318	
2/09	7775	8206	1727	17708	34,587
3/09	6591	7846	2442	16879	
Total	26,679	28,689	6,819	62,187	