



Employment Security Department
WASHINGTON STATE

P.O. Box 9046 • Olympia WA 98507-9046

September 21, 2015

Mr. Steve Narolewski
Employment & Training Administration
US Department of Labor
90 - 7th Street, Suite 17300
San Francisco, California 94103-1516

Dear Mr. Narolewski:

I am pleased to submit the Washington State's annual State Quality Service Plan (SQSP) for your consideration. The enclosed documents include updates to the state plan narrative, the corrective action plans, integrity action plan, budget forms, organization charts, and signature page.

We appreciate the strong partnership with the Department of Labor and your constructive feedback and support. Thank you for your ongoing guidance.

If you have questions or concerns about the accompanying materials, please contact me at (360) 902-9303 or ngorrell@esd.wa.gov, or Joy Adams, Performance Management Coordinator, at (360) 902-9764 or jadams@esd.wa.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil Gorrell".

Neil Gorrell, Employment System Policy & UI Director
Employment System Policy & Integrity Operations

Enclosures

Application for Federal Assistance SF-424

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
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* 3. Date Received: <input type="text" value="08/20/2015"/>	4. Applicant Identifier: <input type="text"/>
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5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text"/>
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State Use Only:

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
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8. APPLICANT INFORMATION:

*** a. Legal Name:**

* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="91-6001099"/>	* c. Organizational DUNS: <input type="text" value="8088829140000"/>
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d. Address:

* Street1:	<input type="text" value="P O Box 9046"/>
Street2:	<input type="text" value="212 Maple Park"/>
* City:	<input type="text" value="Olympia"/>
County/Parish:	<input type="text"/>
* State:	<input type="text" value="WA: Washington"/>
Province:	<input type="text"/>
* Country:	<input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code:	<input type="text" value="98507-9046"/>

e. Organizational Unit:

Department Name: <input type="text" value="Employment Security Department"/>	Division Name: <input type="text" value="Finance & Admin Svcs Division"/>
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f. Name and contact information of person to be contacted on matters involving this application:

Prefix: <input type="text"/>	* First Name: <input type="text" value="Sandi"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Triggs"/>	
Suffix: <input type="text"/>	

Title:

Organizational Affiliation:

* Telephone Number: <input type="text" value="360 902-9423"/>	Fax Number: <input type="text" value="360 902-9315"/>
--	--

*** Email:**

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

U.S. Department of Labor - ETA

11. Catalog of Federal Domestic Assistance Number:

17.225

CFDA Title:

Unemployment Insurance

*** 12. Funding Opportunity Number:**

UIPL 21-15

*** Title:**

FY 2016 Unemployment Insurance Base Grant

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

FY 2016 Unemployment Insurance Base Grant

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="79,349,643.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="79,349,643.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

* First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number:

Fax Number:

* Email:

* Signature of Authorized Representative: 

* Date Signed:

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. UI Base Grant	17.225	\$	\$	\$ 79,349,643.00	\$	\$ 79,349,643.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 79,349,643.00	\$ 0.00	\$ 79,349,643.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)
	(1)	(2)	(3)			
a. Personnel	\$	\$	\$ 46,150,000.00	\$	\$ 46,150,000.00	
b. Fringe Benefits			15,414,000.00		15,414,000.00	
c. Travel			390,000.00		390,000.00	
d. Equipment			230,000.00		230,000.00	
e. Supplies			1,530,000.00		1,530,000.00	
f. Contractual			270,000.00		270,000.00	
g. Construction			0.00		0.00	
h. Other			2,480,643.00		2,480,643.00	
i. Total Direct Charges (sum of 6a-6h)		0.00	0.00	66,464,643.00	0.00	66,464,643.00
j. Indirect Charges			12,885,000.00		12,885,000.00	
k. TOTALS (sum of 6i and 6j)	\$	\$ 0.00	\$ 0.00	\$ 79,349,643.00	\$ 0.00	\$ 79,349,643.00
7. Program Income		\$	\$	\$	\$	0.00

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.	\$	\$	\$	\$ 0.00	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 79,349,643.00	\$ 19,237,413.00	\$ 20,237,410.00	\$ 20,137,410.00	\$ 19,737,410.00
14. Non-Federal	0.00				
15. TOTAL (sum of lines 13 and 14)	\$ 79,349,643.00	\$ 19,237,413.00	\$ 20,237,410.00	\$ 20,137,410.00	\$ 19,737,410.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges: \$66,464,643			22. Indirect Charges: Provisional, base \$66,464,643, total indirect \$12,885,000		
23. Remarks:					

Addendum to State Plan Narrative

(Washington – Fiscal Year 2016)

D. Program Deficiencies

Benefit Accuracy Measurement – Case Sampling and Timeliness of Case Completion

The Benefit Accuracy Measurement (BAM) unit has endured several staff upheavals during the past three program years. Due to reductions in force, unexpected medical leave, reasonable accommodations, and the length of time necessary to train an investigator to do the audit, the team has struggled to maintain timeliness standards while pulling the mandated number of cases to review. Training multiple new staff over the years and transitioning cases in process for various reasons has heavily impacted the unit's ability to maintain production standards. Prior State Quality Service Plans noted that staffing fluctuations in this unit would eventually impact its ability to maintain timeliness standards, though there was insufficient data to quantify the expected effect.

As of June 30, 2014, BAM had 163 cases (100 separations, 63 non-separations) remaining from the prior program year, including 53 that closed more than 90 days late. Of those 53 cases, their average age at close was more than 200 days, with seven closing more than a year after they had been assigned. This work rolled forward into the most recently-completed program year.

For July 1, 2014 through June 30, 2015, BAM sampled 377 paid cases and 341 denied cases, or 79% and 76% of the amount required for a complete sample. However, our timeliness has improved greatly, and we no longer have any backlog of cases older than 90 days. With 5 cases remaining as of today (assigned in June 2015), we have completed more than 86% of the year's paid cases within 60 days, and over 90% of the cases within 90 days. For denied cases, all sample types have 60-day completion rates well over 90% with three cases outstanding.

One part of this success story can be attributed to a Lean event the team held in June 2014, during which they streamlined processes and decided to handle their cases with electronic files instead of paper. After a bit of a learning curve, the number of days per case dropped by about ten days.

Corrective Actions

The manager's first priority during this year has been to assess needs and develop training, sampling, and case assignment plans that honor the unit's need to close existing cases and clear the backlog in order to regain timeliness goals. We have also identified several training issues that need to be addressed, as well as deficiencies in the position's job description that are being corrected with our human resources division. As timeliness stabilizes, case sampling will increase to the standard level until we have reached our performance goals in that area as well. As the unit returns to full and fully-trained staffing levels, we will monitor timeliness and sampling against standard to evaluate further steps that may be needed.

The supervisor's upcoming retirement allows us to seize an opportunity to thoroughly review and consider restructuring the unit to maximize efficiency and create new opportunities for staff to learn and grow. We are accomplishing this through internal reviews with HR and other agency staff, as well as reaching out to other states' integrity units to learn how they are structures and what works for them.

Benefit Accuracy Measurement – NDNH Crossmatch Requirements

In the 2015 BAM Methods and Procedures review, it was determined by USDOL staff that Washington did not meet the requirement for resolving rejected records based on the Name and Social Security Number combination. Washington BAM and IT staff are working with staff from the National Directory of New Hire program to determine where the difference lies, how to meet the parameters of UIPL 03-07, and how to best achieve full compliance with the requirements.

Benefit Accuracy Measurement – Claim Sampling

The Benefit Accuracy Measurement (BAM) program draws a weekly sample of various denied and paid claims for thorough investigation by BAM staff. Because sampled cases are used to make a statistical estimation of improper payments, samples must be representative of general claims activity as reported in US Department of Labor required reports. Acceptable variance is +/-15%. For the performance year ending 3/31/14, the Monetary Denied Claims sample had a variance of -37.2%. As of 3/31/15, the variance was -35.58%.

The variance in monetary denial sampling has been a long-standing issue for Washington. A service request for necessary programming changes has been queued for several years ago to resolve the sampling of monetary denials to comply with USDOL standards. However, due to many state and federal legislative changes during the recession, this service request has not been completed. In lieu of the programming changes to modify the process for sampling monetary denials, the BAM unit pulls an additional monetary denial in a subsequent week when a case is manually removed from the weekly batch.

The fix for this issue will be included in the new UI Benefit System. We have contracted with Fast Enterprises, Inc. to replace our UI Benefits system with a Commercial-Off-the-Shelf (COTS) product. Work began in early April 2015, and the new system has a projected completion date of Fall 2016.

H. Assurances

The State will comply with the following assurances:

- a. Assurance of Equal Opportunity (EO).
- b. Assurance of Administrative Requirements and Allowable Cost Standards.

- c. Assurance of Management Systems, Reporting, and Recordkeeping.
- d. Assurance of Program Quality.
- e. Assurance on Use of Unobligated Funds.
- f. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).
- g. Drug-Free Workplace (29 CFR Part 98).
- h. Assurance of Contingency Planning.

Provide the most recent dates for the following:

- Information Technology (IT) Contingency Plan Implemented: 2011
- IT Contingency Plan Reviewed/Updated: 11/2014
- IT Contingency Plan Tested: 08/2013

- i. Assurance of Conformity and Compliance.
- j. Assurance of Automated Information Systems Security.

Provide the most recent dates for the following:

- Risk Assessment Conducted: 08/2015
- System Security Plan Reviewed/Updated: 08/2013

- k. Assurance of Confidentiality

State: Washington		Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report								
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MEASURE/PROGRAM AREA:		Performance Level								
Nonmonetary Determination Timeliness										

Performance Measure			12/31/2014 Quarter 1	3/31/2015 Quarter 2	6/30/2015 Quarter 3	9/30/2015 Quarter 4	12/31/2015 Quarter 5	3/31/2016 Quarter 6	6/30/2016 Quarter 7	9/30/2016 Quarter 8
Nonmonetary Determination Timeliness Core Measure ≥ 80% of Nonmonetary Determinations made within 21 days of issue detection date	CAP based on 3/31/2014 03/31/2015	63.5%		0.627						
	Target		76.1%	73.9%	68.1%	67.3%	70.4%	75.3%	78.8%	80.0%
	Actual (as of 6/30/2014)	64.20%	71.80%	62.70%	49.90%					

Corrective Action Plan Summary:
The Summary must provide:

Washington state fell below the Acceptable Level of Performance (ALP) for Nonmonetary Determination Time Lapse during the last 3 quarters of this performance period with 81.7% in second quarter 2013, 44.8% third quarter 2013, 52.8% fourth quarter 2013, and 70.6% in first quarter 2014.

In looking at the actual time-lapse deficiency, Washington was only two-days over the acceptable level of performance (ALP) for non-monetary determination time lapse in one quarter, met the 28 day timeliness in two quarters and was close to meeting 28-day timeliness in the other two quarters.

	21 Days	within 23 Days	within 28 Days
2nd Qtr 2013	81.7%	90.2%	95.5%
3rd Qtr 2013	44.8%	58.7%	78.6%
4th Qtr 2013	52.8%	60.9%	78.3%
1st Qtr 2014	70.6%	79.4%	90.6%
2nd Qtr 2014	89.2%	93.1%	96.6%

A. The Reason for the deficiency or deficiencies.

As outlined in the non-monetary determination quality CAP for FY2014, Washington began implementing Lean process improvement methodologies for adjudication functions during the second quarter of 2012. Lean process improvement methodology involves continual identification of streamlining opportunities for efficiency and increased quality. The methodology requires staff to:

- Map the current state and desired future state of any area or function being examined
- Identify the root cause of the gap between the current and future state
- Identify an action plan for piloting improvement strategies
- Measure the improvement or efficiency
- Adjust the plan of action according to results and,
- Roll out the revised standard processes that produce measurable improvements

Although one of the long-term goals for Lean processes is to identify and eliminate waste, the first few years of learning and incorporating the methodologies require more staffing resources than in subsequent years.

We are just now starting the second year and anticipated a slow and steady improvement of our timeliness plan. However, we have hit numerous road blocks. The largest impact are two large reduction in force (RIF) in less than two years, including complete closure of the Seattle Claims Center. Prior to the reduction in force (RIF) in spring 2013 we had 185 adjudicators. After the RIF, our adjudication staffing dropped to 135. We are implementing a third RIF in the Fall 2014 which will bring the number of adjudicators down to 107 with commensurate reductions in supervisors and leads. An additional reduction in intake agents will also impact timeliness.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

We recognize the relationship between the quality of our decisions and the timeliness with which we deliver them to customers. Our approach to addressing shortfalls in these two performance metrics is sequential and relies largely on Lean methodology. First, we are aggressively pursuing quality. So far, we have stabilized and standardized our processes across our claims centers, and are now entering the improvement phase. We believe that continuous improvements in quality will also lead us to additional efficiency gains that will positively affect timeliness. As we work first on quality issues, we expect to find and eliminate waste, which should speed up the adjudication process. This work, which proceeds from root cause analysis through proposing and testing various solutions, and then choosing the successful practices and training and institutionalizing them for all our workers, will take time, likely extending into 2014 and possibly even 2015.

This work is set in the context of significant organizational change, most of which is outside our control:

- a large reduction in force,
- the forced relocation of workers and functions to other sites,
- staff attrition resulting from the relocation, and
- the exhaustion of Reed Act funds that previously supported the use of overtime as a peak workload mitigation strategy.

The department cares deeply about both quality decisions for our customers and serving them as promptly as we can. Our plan is to work on quality first, knowing that these results will drive better performance in timeliness in the coming months.

Beginning in 2009, Washington adjudication supervisors began developing/testing workload distribution strategies that would help us meet first payment promptness and non-monetary determination time-lapse performance. Over the next several years, we successfully employed the strategies when timeliness performance began to decline. We will once again rely on this practice until our processes and systems are redesigned for greater efficiency.

Workload Distribution Strategies to improve non-monetary time-lapse performance:

- Distribution of discharge issues - a percentage of discharge issues are distributed to adjudicators to ensure non-monetary time lapse is met. Discharge issues were selected based on analysis of untimely first payment promptness reports.
- “Cheese-log” strategy - supervisors monitor adjudication workload and ensure adjudicators are working both untimely and timely issues. This helps us limit the growth of the backlog.
- “Catch and release” strategy - supervisors review open issues for those that can be “cleared” as No-issue per state and federal guidelines. Those that cannot be cleared are released back to the work queue for adjudicators.

Finally, adjudication supervisors are responsible for monitoring and tracking individual adjudicator timeliness statistics to identify adjudicators who are not meeting timeliness or productivity standards. Supervisors provide coaching to correct individual deficiencies.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

Washington was making progress in non-monetary timeliness and met the ALP in 2nd Quarter 2013 (81.7%). Then the RIF in June 2013 was implemented. We followed our Workload Distribution Strategies to improve non-monetary time-lapse performance and even with reduced staffing levels we slowly improved and met the ALP in 2nd Quarter 2014 (89.2%). However, we have extreme trepidation about our performance levels with the additional 25% reductions coming in October 2014.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

Washington’s UI Claims Center management team is accountable for monitoring performance, reporting out to senior leadership, and developing performance improvement strategies for Nonmonetary Determination Time Lapse on weekly, monthly, and quarterly basis.

Claim center managers and supervisors are committed to monitor new issues, backlog, and timeliness of total adjudication workload on a weekly basis to measure success with mitigation strategies. Adjustments to those strategies are made on a weekly or monthly basis, as needed.

Adjudication supervisors and managers also monitor individual adjudicator productivity and timeliness.

State: Washington	Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report
<u>MEASURE/PROGRAM AREA:</u>	Performance Level

Tax Quality											
Performance Measures			12/31/2015 Quarter 1	3/31/2016 Quarter 2	6/30/2016 Quarter 3	9/30/2016 Quarter 4	12/31/2016 Quarter 5	3/31/2017 Quarter 6	6/30/2017 Quarter 7	9/30/2017 Quarter 8	
Tax Quality: Assessment of the accuracy and completeness of the tax program Part A- No more than 3 tax functions failing TPS in a year (Status New, Status Successor, Status Inactive, Report Delinquency, Collections, Report Processing, Debit/Billings (reimb.), Credits/Refunds, Benefit Charging, Tax Rates)	CAP based on 3/31/2015			Failed							
	Target							pass			
	Actual										
Tax Quality: Assessment of the accuracy and completeness of the tax program Part B- The same tax function cannot fail for 3 consecutive years	CAP based on 3/31/2015			Failed							
	Target							pass			
	Actual										
TPS- Failed to Conduct a Required Sample	CAP based on 3/31/2015			Failed							
	Target							pass			
	Actual										

Corrective Action Plan Summary:

The Summary must provide:

A. The Reason for the deficiency or deficiencies.

Washington's new UI Tax system, NGTS, went live in March 2014. During system stabilization, several errors in programming and data conversion were discovered that greatly affected the system's ability to generate correct billing statements, process employer tax reports and payments, and correctly apply payments received. These errors cascaded into several sample failures during the TPS reviews for the year – eleven of thirteen different functions had more than the allowable number of failed samples, and one function could not be evaluated due to the system's inability to generate an auditable sample. Additionally, the overwhelming response from employers to UI Tax staff to request information, ask for corrections and recalculations, and argue penalty assessments overwhelmed staff's ability to conduct normal business.

Part B: Washington state fell below the Acceptable Level of Performance (ALP) for Collections for 3 years in a row with most samples failing because required collection action was not conducted. Along with the issues with the new UI Tax system stated above, we suffered a large reduction in force (RIF) in the past two years, including a significant reduction in collections staff.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

NGTS System defects have been continually monitored by the project's business teams and steering committees, with bugs being logged, assigned, prioritized and corrected as quickly and effectively as possible. The vendor responsible for programming the system has been retained through the end of CY 2015 to continue providing corrective programming fixes. At the same time, agency IT staff are continuing to learn from the vendor so that they can provide programming support after the vendor's contract is exhausted. Some fixes have been set aside until after the start of the new year to allow the programming team to concentrate on finding and fixing the root causes of incorrect processes.

Part B: As the NGTS system stabilizes, some of the manual workarounds will be fixed which will allow the collectors to have more time to perform collection activities.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

No plan was in place for prior years.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

Since the project is still stabilizing, agency leadership and the project steering committee continue to frequently monitor progress in identifying and resolving defects. As these defects are resolved, the data issues that have led to the vast majority of TPS failures should right themselves, which would become apparent as functions are tested in 2015 and 2016.

Part B: Collection supervisors are responsible to monitor and track collector productivity and identify collectors who are not meeting productivity standards. Management has established expectations for staff to revisit delinquent accounts at least quarterly. Supervisors will provide coaching and training to correct individual deficiencies. Additionally, throughout the agency we are increasing use of Lean techniques to increase efficiency and effectiveness with fewer staff. These efforts continue in the UI Tax & Wage Division.

NOTE: Enter an "X" in the box to the right if the desired improvements will not be accomplished by the end of the current fiscal years (the two consecutive fiscal years for which the plan is in effect). Summarize, below, the major actions remaining to be taken in subsequent fiscal years and include a projected completion date as to when the performance goal will be achieved.

x

The emergent nature of the system errors and the lack of current knowledge regarding root causes for these errors means we cannot predict when we will completely resolve these issues. As such, our "milestones" have ongoing timelines for now, with the expectation that over the next several months timelines and prioritizations can be established as the full universe of system defects is identified. By identifying and resolving these basic defects, we expect the entire system to stabilize and all measures related to tax data (including TPS samples and data validation) to quickly improve. We expect this work to continue at least through CY 2016.

State: Washington		Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report								
MEASURE/PROGRAM AREA:		Performance Level								
Data Validation										
Performance Measures		12/31/2015 Quarter 1	3/31/2016 Quarter 2	6/30/2016 Quarter 3	9/30/2016 Quarter 4	12/31/2016 Quarter 5	3/31/2017 Quarter 6	6/30/2017 Quarter 7	9/30/2017 Quarter 8	
Data Validation: Benefits: Failed- Pop 1,3,3a,4,5,8,12,13,14,15 Tax: Failed- Pop 1,3,4 Module 4-Benefits: Failed all Module 4-Tax: Failed all Module 5	CAP based on 3/31/2015		Failed							
	Target									
	Actual									
Corrective Action Plan Summary:										
The Summary must provide:										
A. The Reason for the deficiency or deficiencies.										

NOTE: This new CAP for Data Validation was written in August 2015 due to additional population failures during FFY 2015 testing. Progress on UI modernization efforts changed the nature of our expected corrective actions.

Washington's new UI Tax system, NGTS, went live in March 2014. During system stabilization, several errors in programming and data conversion were discovered that greatly affected the system's ability to generate correct billing statements, process employer tax reports and payments, and correctly apply payments received. These errors cascaded into several sample failures during data validation for the year. Additionally, the overwhelming response from employers to UI Tax staff to request information, ask for corrections and recalculations, and argue penalty assessments overwhelmed staff's ability to conduct normal business and drove the prioritization for IT staff to fix NGTS errors.

Additionally, as noted in prior years, Washington has limped along with an obsolete, COBOL-based UI benefits system which is highly troublesome to reprogram due to its structure. Multiple efforts to program federal and state law changes, especially during recessionary periods, exposed the limits of this system and caused cascading errors in some populations.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

The major efforts to correct data validation errors throughout the enterprise consist of stabilizing our new UI tax system and bringing online the new UI benefits system. NGTS System defects have been continually monitored by the project's business teams and steering committees, with bugs being logged, assigned, prioritized and corrected as quickly and effectively as possible. The vendor responsible for programming the system has been retained through the end of CY 2015 to continue providing corrective programming fixes, as well as completing work that had originally been included but later dropped due to time constraints. At the same time, agency IT staff are continuing to learn from the vendor so that they can provide programming support after the vendor's contract is exhausted. Some fixes have been set aside until after the start of the new year to allow the programming team to concentrate on finding and fixing the root causes of incorrect processes. The emergent nature of the system errors and the lack of current knowledge regarding root causes for these errors means we cannot predict when we will completely resolve these issues. As such, our "milestones" have ongoing timelines for now, with the expectation that over the next several months timelines and prioritizations can be established as the full universe of system defects is identified. By identifying and resolving these basic defects, we expect the entire system to stabilize and all measures related to tax data (including TPS samples and data validation) to quickly improve.

Similarly, this experience brings into sharp relief the need for correct programming backed by thorough testing as we stand up our new UI Benefits system. During 2015 Washington contracted with a vendor for a commercial off-the-shelf benefits system to replace the current system (GUIDE). All efforts are now directed to standing up the new UI benefits system, which is due to come online in Fall 2016. DV staff are working with agency IT staff and the vendor to ensure that the underlying programming for data validation is correct in the new system, but we do not expect corrective programming to occur in the existing system.

Lastly, a significant aspect of our difficulties with data validation comes with the specialized knowledge required to thoroughly identify and evaluate the errors we see. We intend to review our resources that we have available for data validation, and pursue knowledge transfer and training (informal and possibly formal) to bring more resources to bear on the issues we find. This will become especially important as we complete the transition to modernized UI systems.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

Some tax populations that had failed in prior years did pass this year; tax populations 2 was deemed correct for 2015 after NGTS deployment and certain fixes to the ETA 581 report. As noted above, previous corrective action plans have identified that the Benefits population issues will not likely be resolved until we can successfully replace the GUIDE system. The new UI Benefits system is expected to go live in Fall 2016.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

Senior managers of the UI, ESPIO and ITBI divisions meet regularly to discuss status of major UI infrastructure projects. Reporting and data validation is a standard agenda items for these meetings. Additionally, senior agency leadership meet quarterly to review and prioritize all IT projects to balance the needs of the agency. These meetings discuss both large IT replacement projects as well as smaller, emergent IT needs to balance projects and priorities.

	Actual								
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Corrective Action Plan Summary:

The Summary must provide:

The Benefit Accuracy Measurement (BAM) unit has missed the acceptable level of performance in both timeliness and case sampling for the most recent performance period.

A. The Reason for the deficiency or deficiencies.

The Benefit Accuracy Measurement (BAM) unit has endured several staff upheavals during the past two program years, resulting in a growing backlog of cases to be closed. Prior State Quality Service Plans noted that staffing fluctuations in this unit would eventually impact its ability to maintain timeliness standards, though there was insufficient data to quantify the expected effect.

During the 2012-2013 program year, BAM staff nearly achieved the timeliness standard while managing newly-placed staff and enduring unpredictable staff absences for human resources and medical reasons. It is believed that due to the supervisor's need to balance cases among the investigators, the two incidents of cases sampled did not quite meet the minimum, missing by approximately 2% per selection (144 non-seps and 145 seps, minimum 150 each). For the 2013-2014 program year, staffing issues have continued to affect the unit's ability to maintain timeliness on all cases. Reductions in force caused two experienced BAM investigators to be replaced and also resulted in the loss of the supervisor, effective in June 2013. The departing investigators left 70 cases open, which were not able to be closed timely by the incoming staff. In February 2014 one of the new investigators left the unit, which was filled with a non-permanent staff until August 2014. Due to the RIF, that position will remain vacant from August through October 2014. Training four new staff over the year and transitioning cases in process has heavily impacted the unit's ability to maintain timeliness.

As we move toward the reduction-in-force that we expect to begin in October 2014, we will again be training new staff and transitioning cases. We also expect to slightly miss the minimum case sampling for seps and non-seps for the 2013-2014 program year. During the October 2013 shutdown we lost the ability to select 2 weeks' worth of work – 20 paid and 20 denied cases. There was no way to increase the case load after the shutdown to make up those two batches. As such, batches 201440 and 201441 were not pulled.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

The manager's first priority will be to assess the likely impact of the upcoming reduction in force, and then to develop training, sampling, and case assignment plans that honor the unit's need to close existing cases and exit the backlog in order to reattain timeliness goals. As the information develops, this may involve discussion with USDOL to best accomplish shared goals.

Moving forward, the BAM unit has undertaken a Lean process improvement project to move away from paper to electronic case files that can be more easily reviewed by all staff. It is hoped that the time savings realized by these process improvements will allow some breathing room for staff to catch up on caseloads. It is also hoped that standard work and electronic case files will more easily allow cases to be worked by multiple investigators if the need arises.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

The staffing vacancy issues that arose during the performance period were unexpected, and compounded an existing issue with a different staff member during the prior period. While additional staffing issues may arise this year, we are at least aware of the jostling that the reduction-in-force will likely bring, and are proactively planning for mitigation during the transition months. We have also identified several training issues that need to be addressed, as well as deficiencies in the position's job description that are being corrected with our human resources division.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

The BAM supervisor and manager are monitoring case timeliness and backlog on a weekly basis. As timeliness stabilizes, case sampling will increase to the standard level until we have reached our performance goals in that area as well. As the unit returns to full and fully-trained staffing levels, we will monitor timeliness and sampling against standard to evaluate further steps that may be needed.

State: Washington		Federal Fiscal Years: 2015-2016 SQSP Monitoring Report									
MEASURE/PROGRAM AREA:		Performance Level									
Benefit Accuracy Measurement: Monetary Denial Claims Sampling											
Performance Measures			12/31/2014 Quarter 1	3/31/2015 Quarter 2	6/30/2015 Quarter 3	9/30/2015 Quarter 4	12/31/2015 Quarter 5	3/31/2016 Quarter 6	6/30/2016 Quarter 7	9/30/2016 Quarter 8	
BAM Monetary Denials	CAP based on 3/31/2014 3/31/2015	-37.20%		-35.58%							
	Target			-15%				-15%			
	Actual	-37.20%									
Corrective Action Plan Summary:											
The Summary must provide:											
A. The Reason for the deficiency or deficiencies.											

The Benefit Accuracy Measurement (BAM) program draws a weekly sample of various denied and paid claims for thorough investigation by BAM staff. Because sampled cases are used to make a statistical estimation of improper payments, samples must be representative of general claims activity as reported in US Department of Labor required reports. Acceptable variance is +/-15%. For the performance year ending 3/31/14, the Monetary Denied Claims sample had a variance of -37.2%. The BAM unit submitted a service request to the IT division several years ago to resolve the sampling of monetary denials to comply with USDOL standards. IT priorities have focused on state and federal legislative changes, and this service request has not yet been accomplished. In lieu of the programming changes to modify the process for sampling monetary denials, the BAM unit pulls an additional monetary denial in a subsequent week when a case is manually removed from the weekly batch. In short, the underlying reason for the deficiency in this area is the same as the related problems experienced in overall data validation efforts, lack of access to adequate IT resources currently overcommitted with efforts to keep up with legally required changes and maintaining the out of date GUIDE benefits system. It is likely that these issues will not be adequately addressed unless and until we can successfully replace the GUIDE system.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

UI requested a comprehensive list of all outstanding UI related IT projects, including existing projects, initiatives to enhance customer service and new projects required by state and federal legislation. That list is in the process of being refreshed and reprioritized. The data validation and BAM sampling projects, both of which would have to be completed by the same staff, have been added to the list.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

As noted above, previous corrective action plans have identified that this issue will not likely be resolved until we can successfully replace the GUIDE system. We have recently received legislative authorization to move forward for procurement on this project, and it is hoped that a timeline will become clear in the near future.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

Senior managers of the UI, ESPIO and ITBI divisions meet regularly to discuss status of major UI infrastructure projects. Reporting and data validation is a standard agenda items for these meetings. Additionally, senior agency leadership meet quarterly to review and prioritize all IT projects to balance the needs of the agency. These meetings discuss both large IT replacement projects as well as smaller, emergent IT needs to balance projects and priorities.

NOTE: Enter an "X" in the box to the right if the desired improvements will not be accomplished by the end of the current fiscal years (the two consecutive fiscal years for which the plan is in effect). Summarize, below, the major actions remaining to be taken in subsequent fiscal years and include a projected completion date as to when the performance goal will be achieved.

x

(Remaining Major Actions in this cell.)

As mentioned above, this issue will be resolved when IT resources become available to either (a) fix the problem in the existing UI benefits system, or (b) the work is completed to replace the system and this objective is correctly programmed.

State: Washington		Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report								
MEASURE/PROGRAM AREA:		Performance Level								
Detection of Overpayments										
Performance Measures		12/31/2014 Quarter 1	3/31/2015 Quarter 2	6/30/2015 Quarter 3	9/30/2015 Quarter 4	12/31/2015 Quarter 5	3/31/2016 Quarter 6	6/30/2016 Quarter 7	9/30/2016 Quarter 8	
Detection of Overpayments - Core Measure - ≥50% & ≤95% of Detectable/Recoverable Ops are Established for Recovery	CAP based on 3/31/2014 03/31/2015	123.02%	127.37%							
	Target	112%	115%	115%	115%	115%	115%	115%	115%	
	Actual	126.66%	127.37%	115.42%						
Corrective Action Plan Summary:										
The Summary must provide:										
The Detection of Overpayment measure is the percentage of detectable/recoverable overpayments established for recovery. The federal target is 50 percent. Because states generally cannot cost-effectively detect and establish more than 80 – 90 percent of estimated overpayments, an upper limit of 95 percent has been established for monitoring purposes. States reporting ratios over 95 are expected to explain the reasons for the higher-than-expected-ratio. Washington’s three year ratio for the period ending 3/31/14 is 123.02%										
A. The Reason for the deficiency or deficiencies.										
Washington has very strong work-search requirements in state law, mandating a progression to an “all weeks” review if the one week review uncovers eligibility or work-search errors. This results in a number of “all weeks” denials due to work-search errors, which create large overpayments. The Benefit Accuracy Measurement (BAM) Operational Rate, the denominator of the overpayment detection ratio, excludes work search related overpayments. The numerator, overpayments established, includes work search related overpayments. Washington establishes a very high proportion of work search related overpayments in relation to total overpayments. Until Washington brings down its work search overpayments, it is mathematically impossible for the state to meet the 95% acceptable level of performance for overpayments established to overpayments detected ratio by virtue of how the ratio is calculated.										

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

Washington submitted a work search related SBR proposal for continued staff funding of the Job Search Review Center. Continuing to preserve our capacity to conduct job-search reviews will help uncover overpayments related to work-search errors earlier in the life of the claim, reducing the number of times these reviews progress to “all weeks” denials. Completing these reviews earlier in the claim will also reduce the number of weeks denied in the case of an eventual “all weeks” denial. Additionally, increasing surveillance of continued claims through more frequent wage data crossmatches may reduce the duration of overpaid weeks in existing claims. By better utilizing data from the National Directory of New Hire and BARTS On-Demand crossmatches, we expect to more quickly identify claim weeks paid in error and stop such claims from continuing, thus creating larger overpayments.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

As discussed above, Washington has very strong work-search requirements in state law, mandating a progression to an “all weeks” review if the one week review uncovers eligibility or work-search errors. This results in a number of “all weeks” denials due to work-search errors, which create large overpayments. Heavy emphasis on work-search requirements in our state’s authorizing environment virtually ensures that Washington will struggle to meet or drop below the 95% mark as long as work-search related overpayments are included in only one factor of the calculation.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

As noted above, the detection of overpayment measure does not function effectively for Washington due to its high number of work search related overpayments. Monitoring will continue be based upon reducing the duration and amount of overpayments due to all causes, but especially to work-search related causes.

State: Washington		Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report								
MEASURE/PROGRAM AREA:		Performance Level								
UI Integrity Measure- Benefit Year Earnings (BYE)										
Performance Measures	CAP based on 03/31/2014 performance	12/31/2014 Quarter 1	3/31/2015 Quarter 2	6/30/2015 Quarter 3	9/30/2015 Quarter 4	12/31/2015 Quarter 5	3/31/2016 Quarter 6	6/30/2016 Quarter 7	9/30/2016 Quarter 8	

UI Integrity Measure- Benefit Year Earnings (BYE) ALP= Varies by State	CAP based on 3/31/2014 03/31/2015	Failed		Failed						
	Target	pass								
	Actual	fail								

Corrective Action Plan Summary:

The Summary must provide:

The Benefit Year Earnings (BYE) Acceptable Level of Performance (ALP) standard was documented in UIPL 34-11. A Corrective Action Plan is necessary based upon results of Calendar Year 2013 BAM overpayment estimates.

A. The Reason for the deficiency or deficiencies.

The BYE estimated overpayment rate is a result of Benefit Accuracy Measurement (BAM) case investigations. During the baseline period, Calendar 2008-2010, Washington's reported BYE rate was artificially low due to an artifact of the BAM system. At the time, a very large percentage of Washington's overpayments were attributed to work search errors, which masked any other possible errors which could result in overpayments. When Washington changed its procedures to correctly reflect non-responses to BAM questionnaires as reporting rather than work search errors, its work search overpayment rate dropped and other previously under-reported errors became visible. The artificially low baseline numbers and the fluctuation in BYE rates over the three reporting periods post-baseline do not provide an accurate measure of Washington's current BYE performance. However, it is clear that Washington needs to reduce the amount of benefits paid to unemployment claimants who under-report earnings or keep claiming benefits upon returning to work. Independent of BAM estimates, a large percentage of the actual overpayments assessed are connected with BYE issues. Washington needs a more effective means to identify possible BYE issues earlier in the claims cycle.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

The Office of Special Investigations (OSI) will implement an automated on-demand benefit wage crossmatch technology as an integrity strategy to reduce unemployment insurance overpayments and overpaid weeks. The technology will enable ESD to improve the detection of claimants working and collecting unemployment benefits, identify BYE overpayments, and reduce the current crossmatch data timeline from quarterly to at will – reducing the duration and amount of BYE overpayments. This match compares UI benefits paid to wages reported by employers quarterly as required under UI tax law. OSI’s previous system resulted in several months delay as comparisons could not be made until all wage records were received in the month following the quarter close. The update will allow OSI to schedule comparisons at will, taking advantage of the fact that many employers report their wages every month or prior to the 30 day quarter deadline.

OSI will continue to use National Directory of New Hire information to prevent and detect BYE overpayments. FFY12 Integrity Supplemental Budget Request funds were used to bring all operating procedures into 100% compliance with USDOL recommended operating procedures. Washington will continue to follow these best practices to utilize this tool to the fullest extent possible. On-Demand cross matching will supplement Washington’s successful NDNH program.

Washington has not planned a formal claimant/employer messaging outreach campaign at this time; however OSI has submitted a FFY 14 Supplemental Budget Request for staffing to work more NDNH “hits” where employers do not respond to agency information requests. If funded, a staff person will work directly with employers to educate them on the importance of the NDNH system. We expect this will greatly improve the employer response rate.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

ESD identified reducing BYE overpayments as a priority in its Integrity Action Plan. Its core BYE strategy, on-demand benefit-wage crossmatch was originally planned for deployment in spring 2013. It was delayed when vendor On Point Technologies was unable to meet demand from states seeking to implement the new system. The new deployment date is scheduled for fall 2014.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

Progress toward this goal is measured by the change in BAM BYE estimated overpayments. Per the analysis above, BAM results may not be a valid indicator of actual program results in this area. Washington has no basis on which to predict BAM results. We will closely monitor BAM statistics. In addition, OSI staff will monitor the following operational results to gauge the impact of its change from quarterly to on-demand wage cross matches:

- Number of BYE overpayments identified
- Total dollar amount of BYE overpayments
- Average duration of BYE overpayments
- Average days to case closure from quarter when claimant had BYE

State: Washington	Federal Fiscal Year: 2015 - 2016 SQSP Monitoring Report
MEASURE/PROGRAM AREA:	Performance Level
Assurances	

Performance Measures			12/31/2015 4 Quarter 1	3/31/2016 Quarter 2	6/30/2016 5 Quarter 3	9/30/2016 5 Quarter 4	12/31/2016 5 Quarter 5	3/31/2017 Quarter 6	6/30/2017 Quarter 7	9/30/2017 Quarter 8
Assurance h.- Assurance of Contingency Planning; Plan Tested. Must be tested annually.	3/31/2014	not tested annually								
	Target						Tested			
	Actual									
Assurance j.- Assurance of Automated Information Systems Security; System Security Plan Reviewed/Updated. Must be reviewed and/or updated annually.	3/31/2014	not reviewed or updated.								
	Target							Review/Update		
	Actual									

Corrective Action Plan Summary:

The Summary must provide:

Washington has not completed all required IT contingency and systems security plan reviews and updates within the most recent federal fiscal year. The most recent dates for these plans are as follows:

h. Assurance of Contingency Planning.

- Information Technology (IT) Contingency Plan Implemented: 2011
- IT Contingency Plan Reviewed/Updated: ~~CY Q4 2013~~ November 2014
- IT Contingency Plan Tested: 08/2013

j. Assurance of Automated Information Systems Security.

- Risk Assessment Conducted: ~~04/2013~~ August 2015
- System Security Plan Reviewed/Updated: 08/2013

A. The Reason for the deficiency or deficiencies.

ESD's last complete review of IT contingency and security plans occurred in late 2013. Turnover in key positions has led to a loss of continuity in the program, which has recently been corrected with the hiring of our new deputy director of information security.

B. Provide a description of the major actions/activities planned to improve performance and achieve the performance goals, which may include business process analysis, implementation improved business processes, and improvements to information technology infrastructure. Note which performance measure is intended to be impacted by the action/activity.

Contingency Planning: An ESD Emergency Response Plan following the methodology in NIST 800-34, Contingency Planning for Information Technology Systems, was completed in July of 2013. ESD is planning a state level security assessment that will include testing of this plan.

Risk Assessment: The agency's Risk Assessment process exists, and while currently not well established within the organization, its implementation is advancing. The agency completed a Risk Assessment on the new UI Tax system in April 2013 using a new Risk Assessment framework, which will be applied to other systems in CY 2015. Risk Assessment is becoming an integral tool within the ESD Security Program, and the use of this practice will be expanding in the years to come. In addition, security related assessments such as penetration tests and scans for vulnerabilities will be regularly performed against other UI systems. A complete Risk Assessment program is expected to be implemented by December of 2015 with complete UI system assessments to be scheduled and completed during that time.

System Security Plan: The agency's System Security Planning process continues to progress, with many of the components in place and ESD is progressing with the implementation of formalized policies and procedures. Many UI systems have the required elements in place, but at this time there is not a holistic, unifying System Security Plan. This will be changing beginning with the implementation of system specific IT Contingency Plans as they are individually finished over the course of the next year and will form a basis for security cohesive plans.

C. If plan was in place the previous year, provide an explanation of the impact of previous corrective actions taken.

Washington has not had a corrective plan for IT assurances in recent years.

D. A brief description of plans for monitoring corrective actions; assessing whether they are effective in improving performance; and how performance will be maintained when the action is fully implemented.

ESD is developing a process to review and update individual System Security Plans as part of the Risk Assessment framework. That work will continue to be developed for UI systems over the next 2 years.

State: Washington	Federal Fiscal Year: 2015-2016
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Root Causes: *(List the top three root causes of improper payments in the state for the most recent IPIA period (July 1 thru June 30), and the percentage change for each cause compared to the prior year's IPIA rate. Use the following link to access the IPIA data, <http://www.dol.gov/dol/maps/Data.htm>)*

Root Cause #1: work search issues	Enter Percentage Change: -1.82%
--	--

Root Cause #2: benefit year earnings issues	Enter Percentage Change: 5.85%
--	---------------------------------------

Root Cause #3: separation issues	Enter Percentage Change: -29.17%
---	---

Accountable Agency Official(s): Neil Gorrell, Employment System Policy & UI Director

Summary: (Provide a summary of the plan that the state has designed. The summary should include outreach efforts planned by the agency to inform all UI and workforce staff, and employers of the strategic plan to ensure everyone understands the importance of maintaining program integrity.)

Benefit Accuracy Measurement (BAM) estimated overpayments for the most current reporting period continue to show the same top three causes of estimated overpayments: work search issues, benefit year earnings, and separation issues. For the 2014 IPIA reporting period, improper payments due to separation issues decreased significantly, while improper payments due to BYE issues and work search issues remained static.

As noted in both this year's and the previous year's State Quality Service Plan narrative, Washington has slashed its budget. Hundreds of staff positions have been eliminated. Washington remains committed to addressing integrity issues within its available resources. Previous SBR funding enabled Washington to move forward with a variety of integrity related programs, but that funding is expiring. Limitations on IT resources continue to constrain our options. The expense and difficulty of making any changes to our existing UI benefits system (GUIDE) present major barriers to implementing identified integrity solutions. We look forward to the replacement of that system, scheduled to come online in Fall 2016.

Instructions for the following section: In each individual section below, enter a Root Cause, from above, and the top three focused Strategies that will be employed to correct or reduce this cause of overpayments. An additional line is available in each section to include other significant strategies that target the root cause.

Root Cause #1: Work Search Errors

Strategies	Actions	Targets and Milestones	Resources
Improve and increase claimant education re work search requirements	Update claimant materials Identify and use connection opportunities to reinforce requirements	Reduce incidence of work-search related overpayments	Handbook for Unemployed Workers Online materials RESEA and WorkSource interactions
Investigate and improve technology to capture and review work-search activities	Web-based application to submit work search activities Consider improving connections to other systems	Increase efficiency and effectiveness of capturing and reviewing work search activities	UI Special Programs staff ITBI staff Technology project staff
Review legal constraints and propose enhancements	Review administrative rules National UI Work Search workgroup	Improve tools to encourage and enforce compliance in appropriate ways	Employment System Policy staff


Evaluate ways to review work search activities	RESEA Interactions Job-search log reviews	Reduce duration of work-search related overpayments	RESEA staff UI Special Programs staff
Root Cause #2: Benefit Year Earnings (BYE) Issues			
Strategies	Actions	Targets and Milestones	Resources
Improve surveillance activities to reduce improper claims	IP address capture Claim data comparison	Reduce instance and duration of improper claims	Office of Special Investigations staff
Increase frequency of cross-match to identify BYE claims	BARTS cross-matches NDNH cross-matches Benefit/Wage investigations	Reduce incidence and duration of fraud related overpayments	Office of Special Investigations staff
Identify and review claims for wage audit	BARTS cross-matches NDNH cross-matches Benefit/Wage investigations	Reduce incidence and duration of non-fraud related overpayments	Office of Special Investigations staff
Root Cause #3: Separation Issues			
Strategies	Actions	Targets and Milestones	Resources
Improve adjudication processes	Lean process improvements (See NonMon Quality CAP – closed)	Meet non-monetary adjudication quality ALP	Lean processes UI Claims Center staff
Expand use of SIDES Web Services	Improve SIDES processes Conduct Employer outreach	Increase number of employers exchanging data via SIDES	UI staff IT staff Communications staff National UI SIDES staff
Expand use of SIDES E-Response	Improve SIDES processes Conduct Employer outreach	Increase number of employers exchanging data via SIDES	UI staff IT staff Communications staff National UI SIDES staff



Dale Peinecke
Commissioner/
Chief Executive Officer
Commissioner's Office
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FTEs: 1406.25** 100000



4208 EMS 1
Nick Streuli
Special Assistant to the
Commissioner
Commissioner's Office
360-902-9302
FTEs: 0 100000



4204 EMS 4
Sandi Triggs
Assistant Commissioner/
Chief Financial Officer
Finance and Administrative
Services
360-902-9728
FTEs: 65.5* 200000



0832 EMS 4
Ron Marshall
Assistant Commissioner/
Chief Human Resource Officer
Human Resources and
Operational Support
360-902-9415
FTEs: 47* 500000



1510 EMS 3
Tim Probst
Director
Workforce Development
Strategic Initiatives
360-902-9535
FTEs: 4* 105000



4202 EMS 5
Lisa Marsh
Deputy Commissioner/
Chief Operating Officer
Commissioner's Office
360-902-9301
FTEs: 1212.75* 100000



1753 AA5
Karen Bailey
Executive Assistant
Commissioner's Office
360-902-9397
FTEs: 0 100000



4207 EMS 3
Cynthia Forland
Director
Labor Market and Performance
Analysis
360-407-4503
FTEs: 54* 220000



6335W WMS 3
Karl Kraber
Director
Office of Lean Transformation
and Quality Improvement
360-902-9731
FTEs: 3* 115000




0838 EMS 4
Neil Gorrell
Director
Employment System Policy and
Integrity
360-902-9303
FTEs: 51.5* 700000



0837 EMS 4
Sandy Miller
Director
Workforce and Career
Development Service Delivery
360-902-9732
FTEs: 511.5* 310000

Washington State
Employment Security Department

Executive Leadership
Organizational Chart



0835 EMS 3
Cathy Hoover
Director
Government Relations
360-902-9407
FTEs: 1* 104000



6010W WMS 3
Don Westfall
Chief Review Judge
Commissioner's Review Office
360-570-6960
FTEs: 10* 114000




1063 EMS 3
Susan Hettinger
Director
UI Claims Center Operations
360-902-9223
FTEs: 298.75* 700700



0839 EMS 4
Renee Linder
Director/
Chief Information Officer
Information Technology and
Business Integration
360-407-4700
FTEs: 197* 152000



2190 EMS 4
Janelle Guthrie
Director
Communications
360-902-9289
FTEs: 9* 103000



6009W WMS 3
Laura Scheel
Director
Internal Audit
360-902-9276
FTEs: 0 113000




1078 EMS 3
Brenda Westfall
Director
UI Tax and Wage Operations
360-902-9554
FTEs: 154* 750000

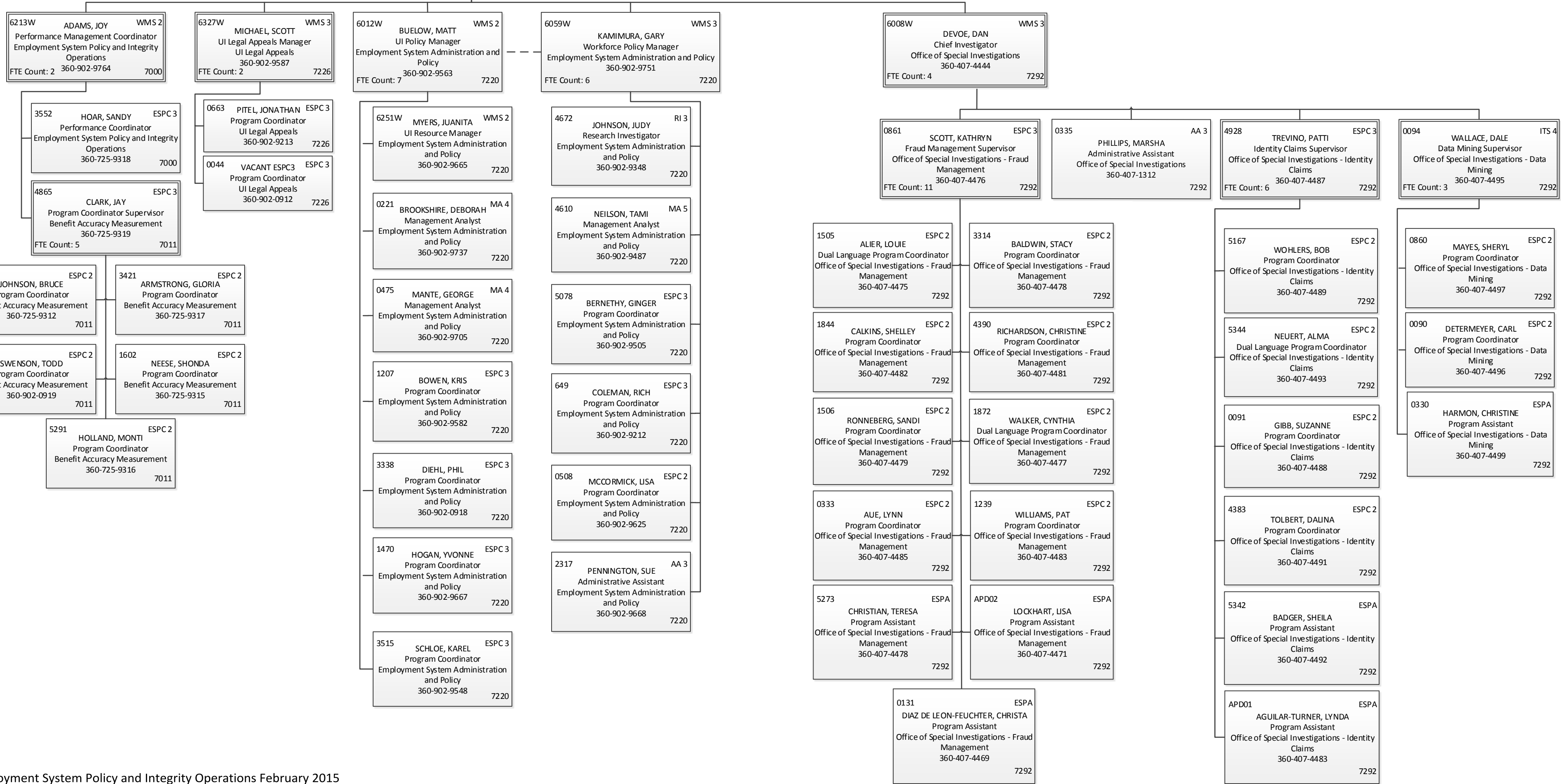


3108 CSM
Sheila Johnson-Teeter
Customer Affairs Manager
Commissioner's Office
360-902-9328
FTEs: 0 100000

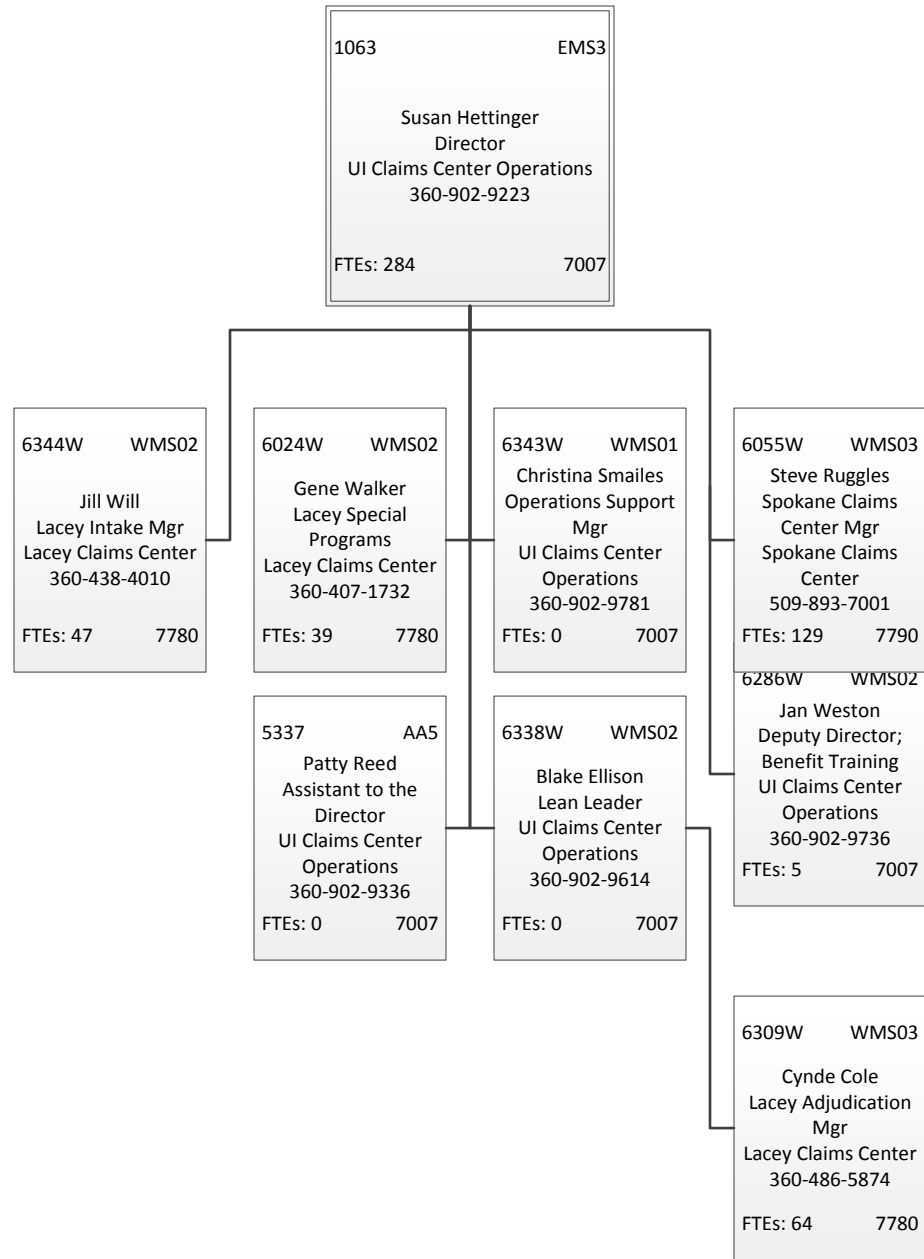
*FTE numbers are cumulative.

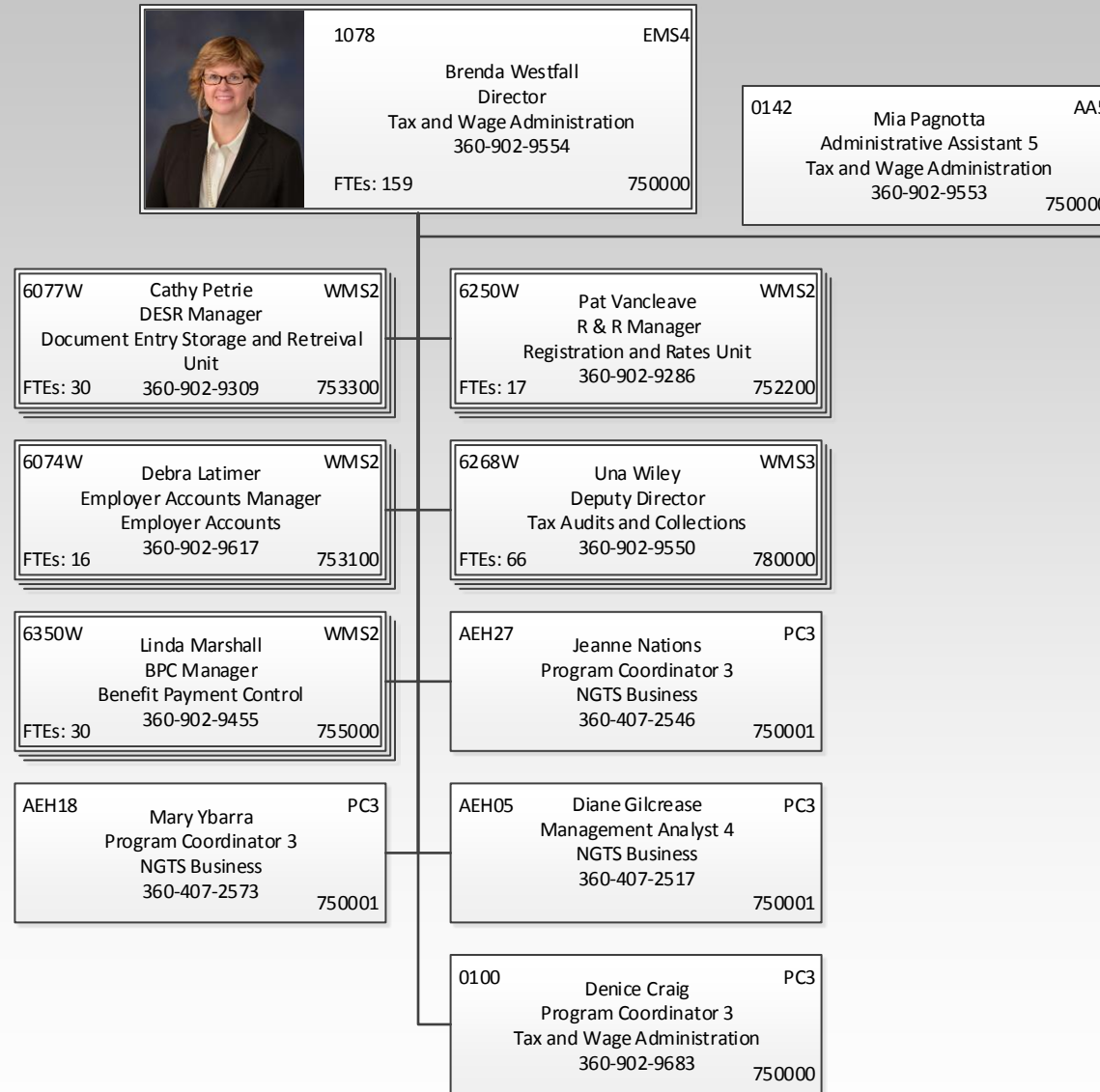
**FTE count includes interagency FTEs

	0838 GORRELL, NEIL Employment System Policy & UI Director Employment System Policy and Integrity Operations 360-902-9303 FTE Count: 52	EMS 4 7000
	1787 REGAN, EMILY Administrative Assistant Employment System Policy and Integrity Operations 360-902-9335	AA 5 7000



Claims Center Operations

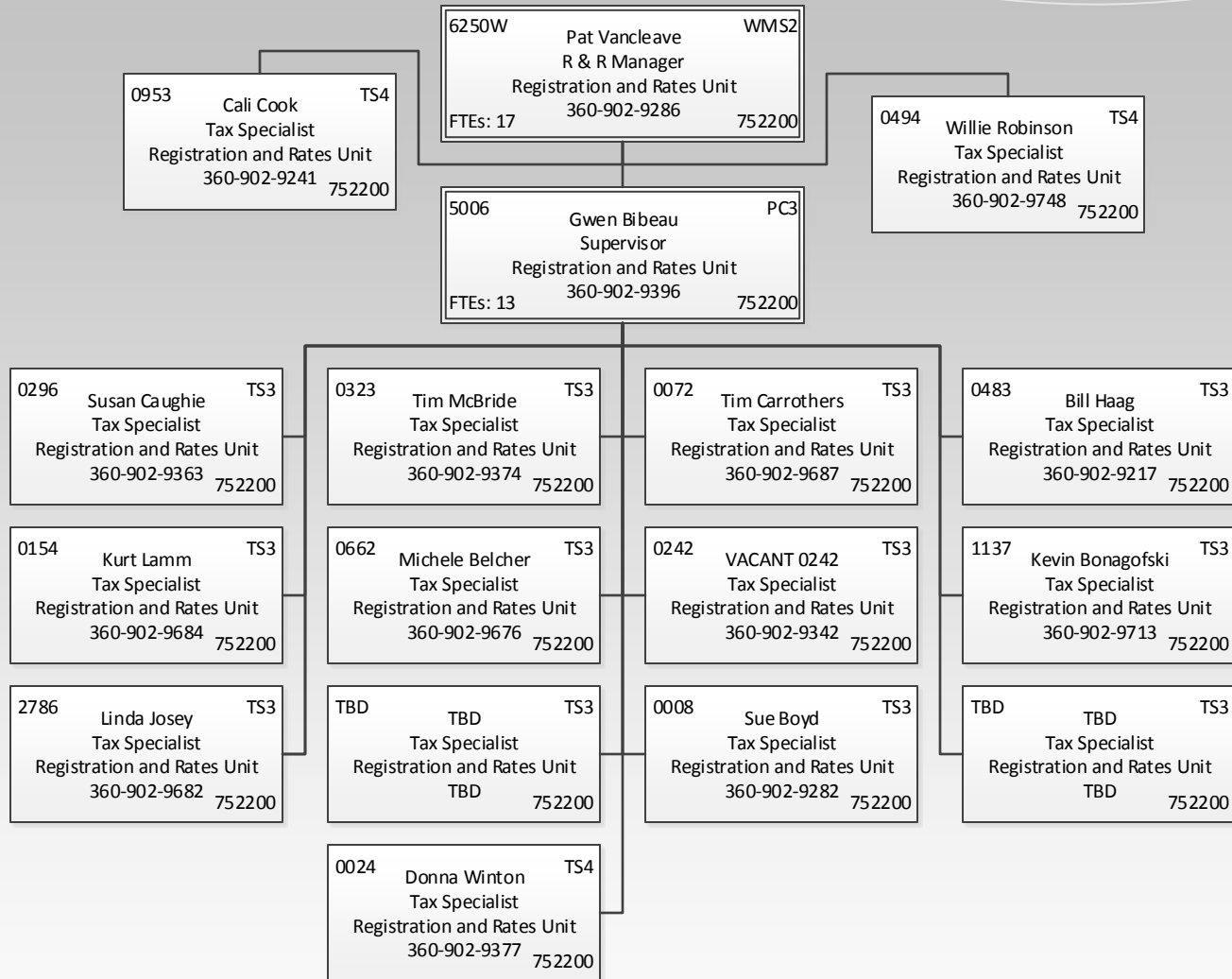






Employment Security Department

WASHINGTON STATE



6077W Cathy Petrie WMS2
 DESR Manager
 Document Entry Storage and Retrieval Unit
 360-902-9309 753300
 FTEs: 30

4384 Cindi Richardson OSS2
 Supervisor
 Document Entry Storage and Retrieval Unit
 360-902-9763 753300
 FTEs: 9

0150 Darlene Craig OSS2
 Supervisor
 Document Entry Storage and Retrieval Unit
 360-902-9506 753300
 FTEs: 8

0081 Sharon Martin OSS2
 Supervisor
 Document Entry Storage and Retrieval Unit
 360-902-9465 753300
 FTEs: 9

4892 Jodi Johnson OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9599 753300

0374 Sheila Vanderbosch OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9661 753300

0789 Peggy Graham OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9512 753300

0173 Carol Schley OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9475 753300

0414 Megan McGuire OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9463 753300

0362 Josefina Moe OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9472 753300

0107 Kim Arnold OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9446 753300

2407 Alice Barney OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9466 753300

0108 Angie Housden OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9366 753300

1156 Nastashia Spencer OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9403 753300

0369 Andrew Yelenich OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9581 753300

1800 Rene Whittington OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9284 753300

1365 Heather Winton OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9530 753300

0010 Kristine Jones OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9372 753300

1515 Lisa Guthrie OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 TBD 753300

0135 Matthew Zehnder OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9521 753300

3514K Melony Butters OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9561 753300

0062K Mae Aguon OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9572 753300

0040K Paul Root OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9402 753300

0862 Josh Townsend OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9559 753300

0038K Nancy Vadisirak OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9769 753300

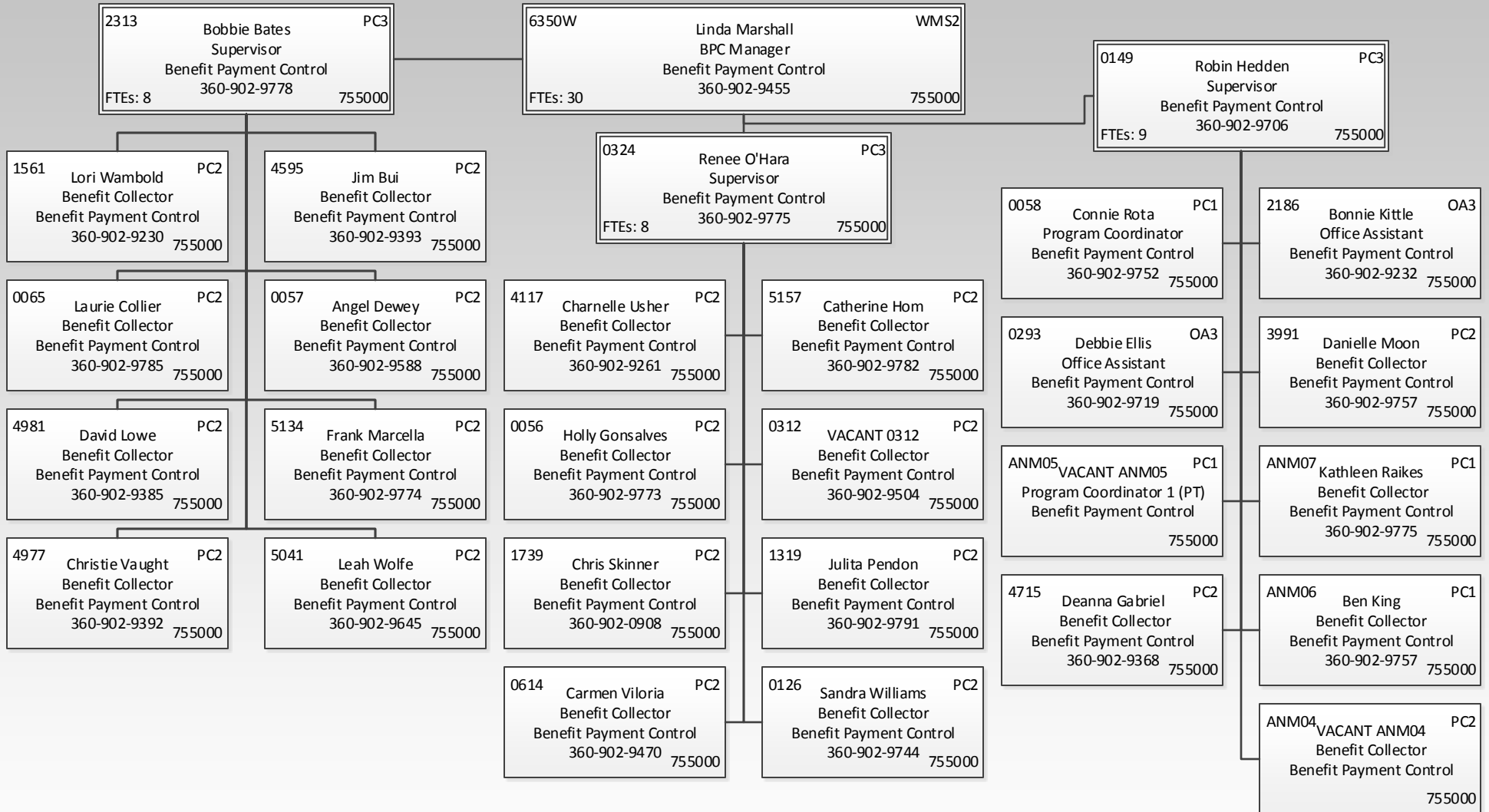
5327 Miriah Roth OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9424 753300

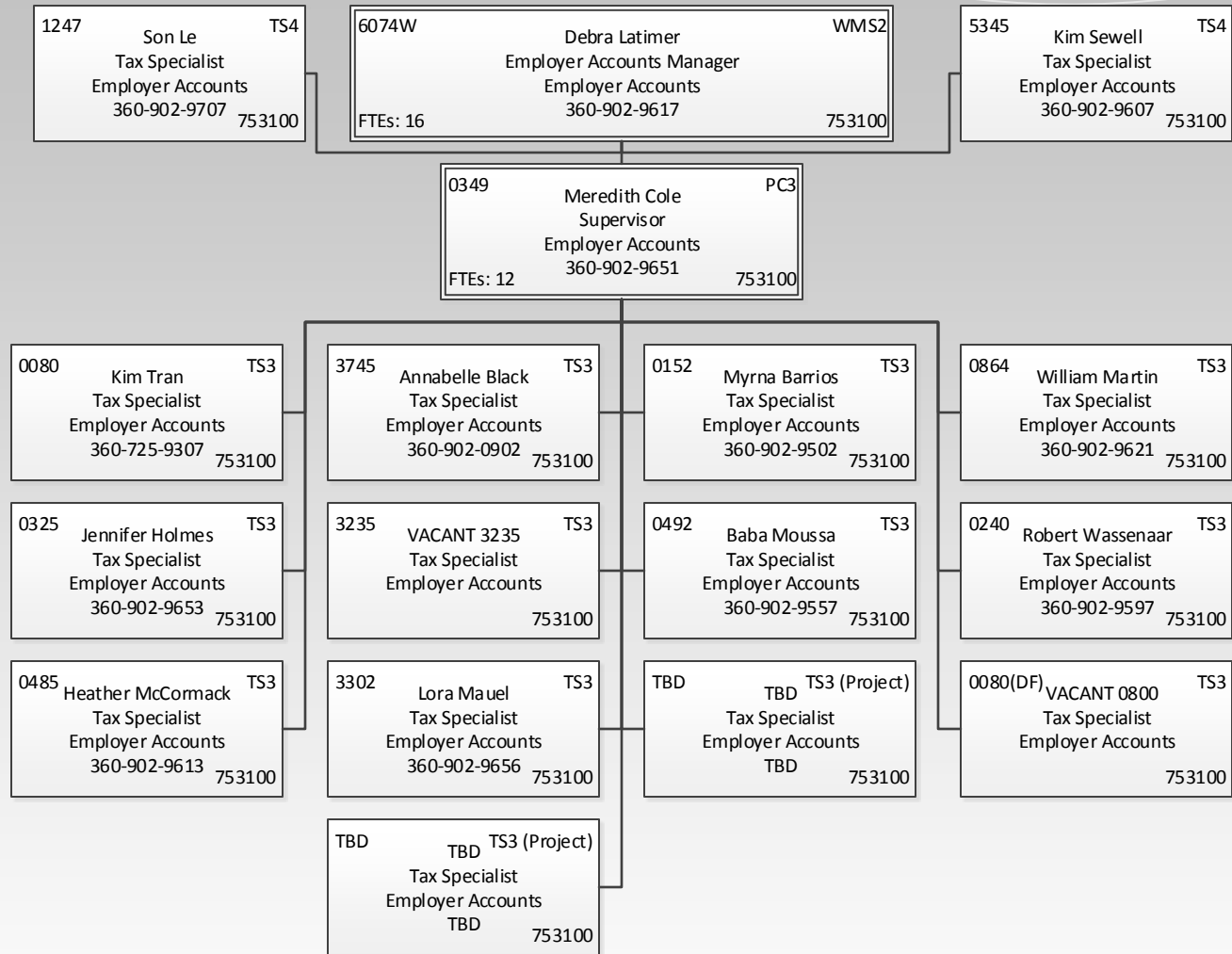
0151 Melanie Welter OA2
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9277 753300

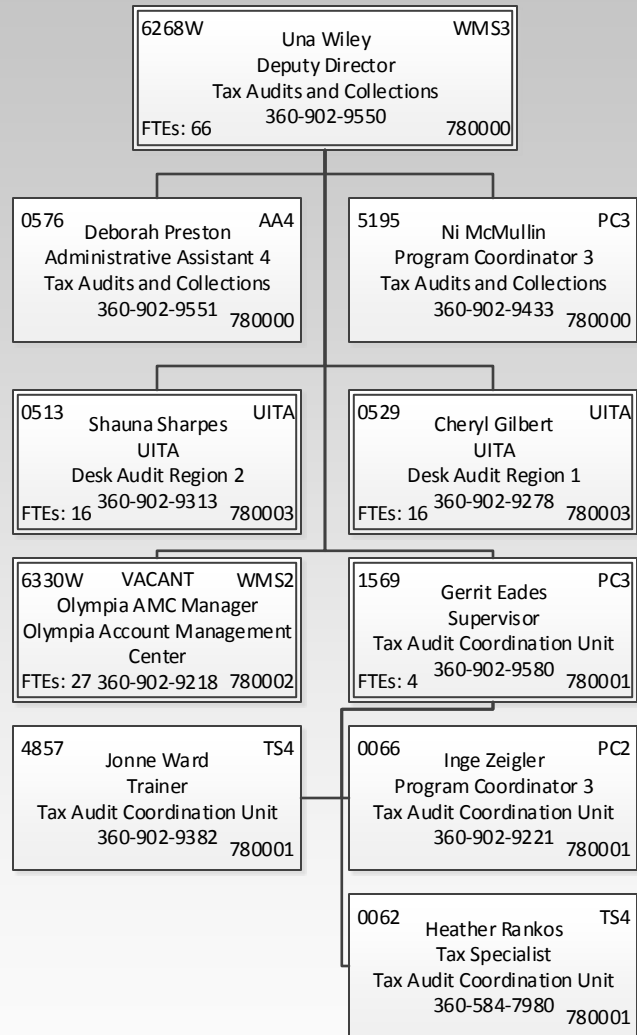
4886 Deborah Benfield OA3
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 Document Entry Storage and
 Retrieval Unit
 360-902-9478 753300

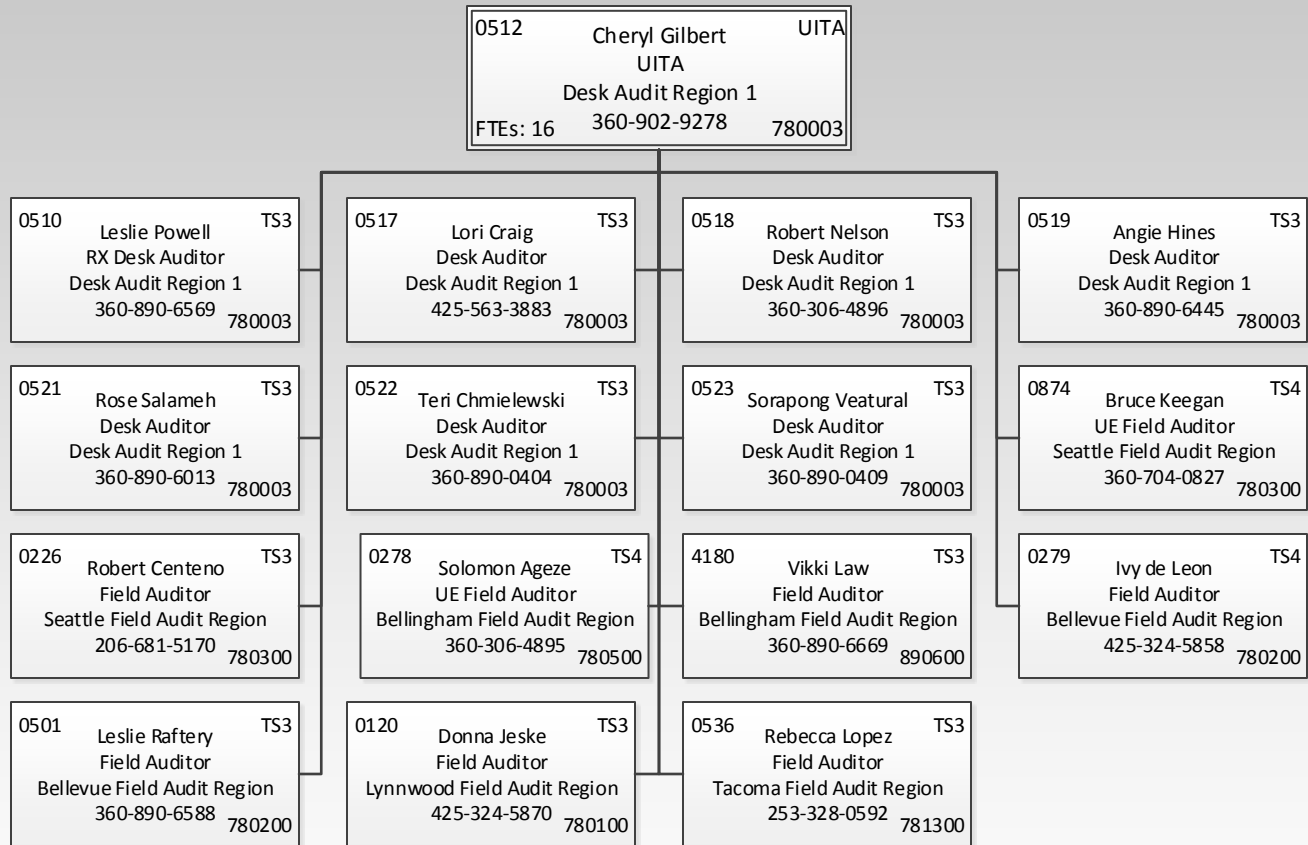
2149K Vince Do OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9527 753300

4882 Cherie Anderson OA3
 Office Assistant
 Document Entry Storage and
 Retrieval Unit
 360-902-9258 753300





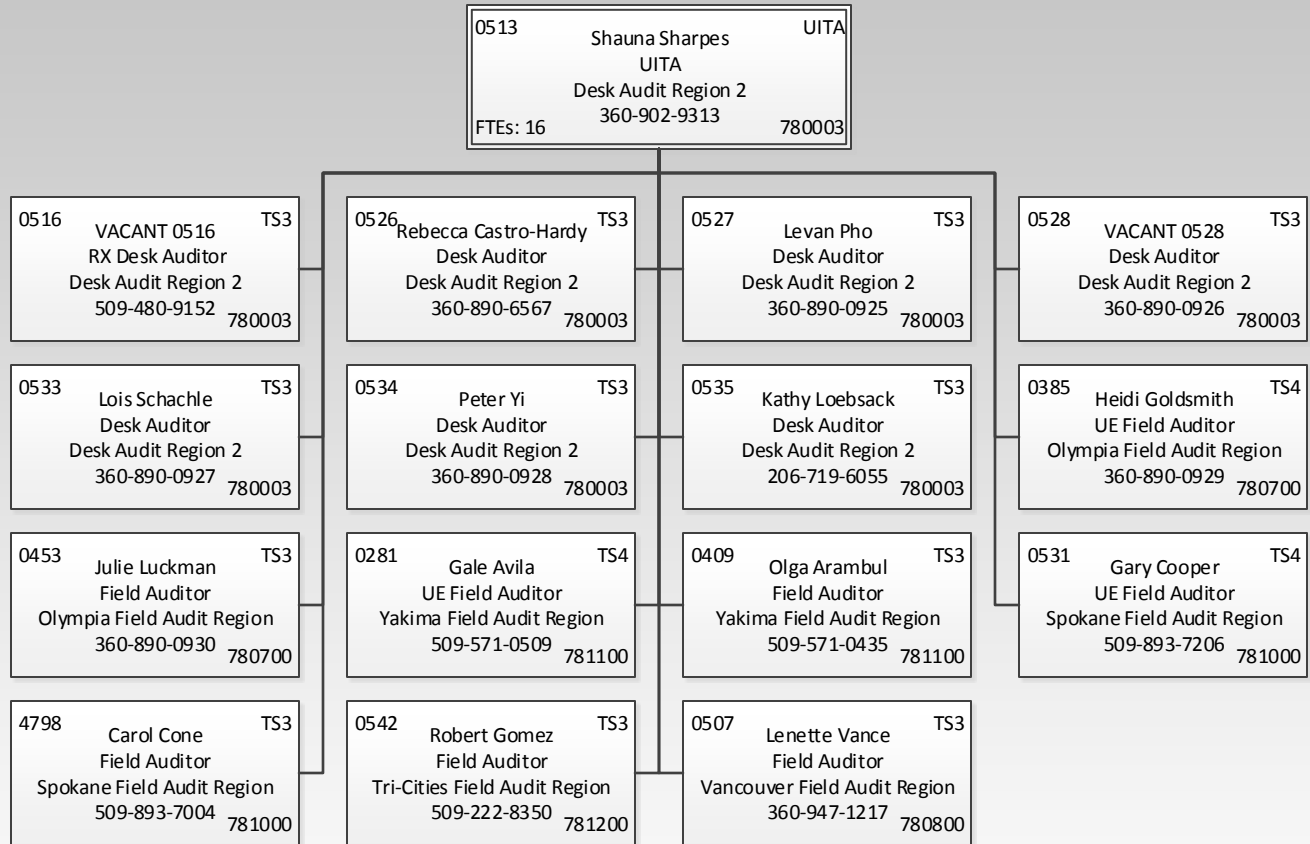


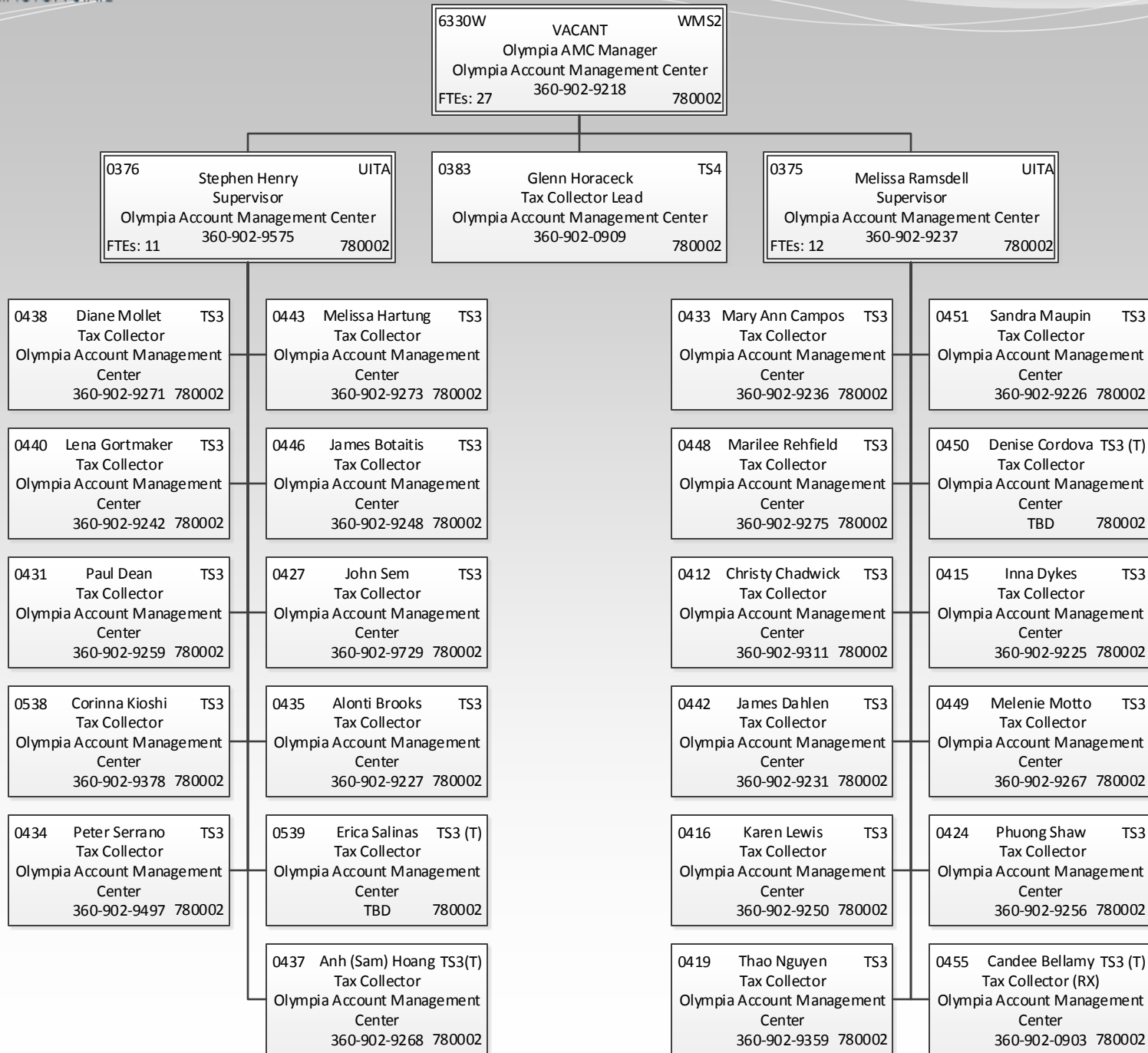




Employment Security Department

WASHINGTON STATE





**Workforce & Career
Development Division –
Central Office**

Lisa Marsh
Deputy Commissioner

Sandy K. Miller
Director
EMS 4206

**WorkSource Integrated
Technology (WIT) Project**
Jan Oswald, WMS (A) 6354W
Joanie Linder, MA4 N0722
Vacant, MA4 N0723

Rebecca Torrence
AA5 1574

Brian Elvin
Sec. Sr. 0464

Kelly Lindseth
WCDD Deputy Director
EMS 0735

Washington Service Corps.
Debbie Aoki, Director
WMS 6039W

Carmen Serrano
Program Asst.
YB18

Eric Kindvall
Director of Programs & Operations
WMS 6176W

Anne Goranson
Southwest Region

WDAs
1, 2, 6, & 7

Greta Kaas-Lent
Northwest Region

WDAs
3, 4, & 5

Marcia Henkle
Central Region

WDAs
8 & 9

Jennie Weber
Eastern Region

WDAs
10, 11 & 12

Keoni Fontaine
Director of
Lean Innovation
WMS 6352W

System & Project Support
Michelle Meader, MA5 0282
Amy Lagerquist, MA4 0294
Sue Keltner, MA4 4940 (NP)
SKIES Coordinator
Marra Johnson, PC3 4012 (NP)

MSFW Outreach/H2A
Craig Carroll, Administrator WS Okanogan,
(Interim) Monitor Advocate*
Vacant, Monitor Advocate
Daniel Valdez, PC3 0370
Vacant, PC1 - PT N0705

Nona Mallicoat
Director of ESD Programs
WMS 6078W

WorkFirst
Linda Venera, PC3 0570
Pat Shaffer, PC2 0352

Trade Act Unit
TAA
Sharon Rosenberger, PC3 0488
Lori Nichols, PC2 5262
Jean Kearsley, PC2 0355
TRA
Clancy Mullins, PC2 0490

Veterans
Sam Mitchell, PC3 0026
Jose Ortiz, WSS5 LVER 5002V
Steve Severson, WSS4 5003D
Donavon Shaw, Work-study

Reemployment Services
Kimberly Metcalf, PC3 0322 (NP)
Tami Wallace, PC2 1034

Mark Streuli
Director of WIOA Programs
WMS 6358W

WIA/NEG/Contracts
Randy Bachman, MA4 0252
Tami Gillespie, PC3 0707
Vacant, PC3
Donna Fussell, PC3 0473
Lenni Marrotte, PC2 1030
Melissa Connaughton, PC2 APK01
Rapid Response/WARN/TRA
Bob Hughes, PC3 2044

WOTC
Susan Haerling, PC3 1034
Tanya Brewster, PC2 1035
Donna Williams, PC2 1036

Grants Writer
Susan Enders, PC3 APL01
(Project)

VISTA
Josh Proehl, PC3 YB06 50%
Lianna Shepherd, Leader

Reading Corps
Terri Jack, PC3 YB19
Cassie Bordelon, PC2 YB26
Kendra DeBow, PC2 YB 23
Sabrena Neff, PC2 YB24
Leiani Sherwin, PC2 YB25
Kathleen Perry, WRC Leader

**Support, Marketing &
Training**
Kari Wood, PC2 YB22

Budget/Payroll
Sandie Peterson-Evans
PC2 YB01

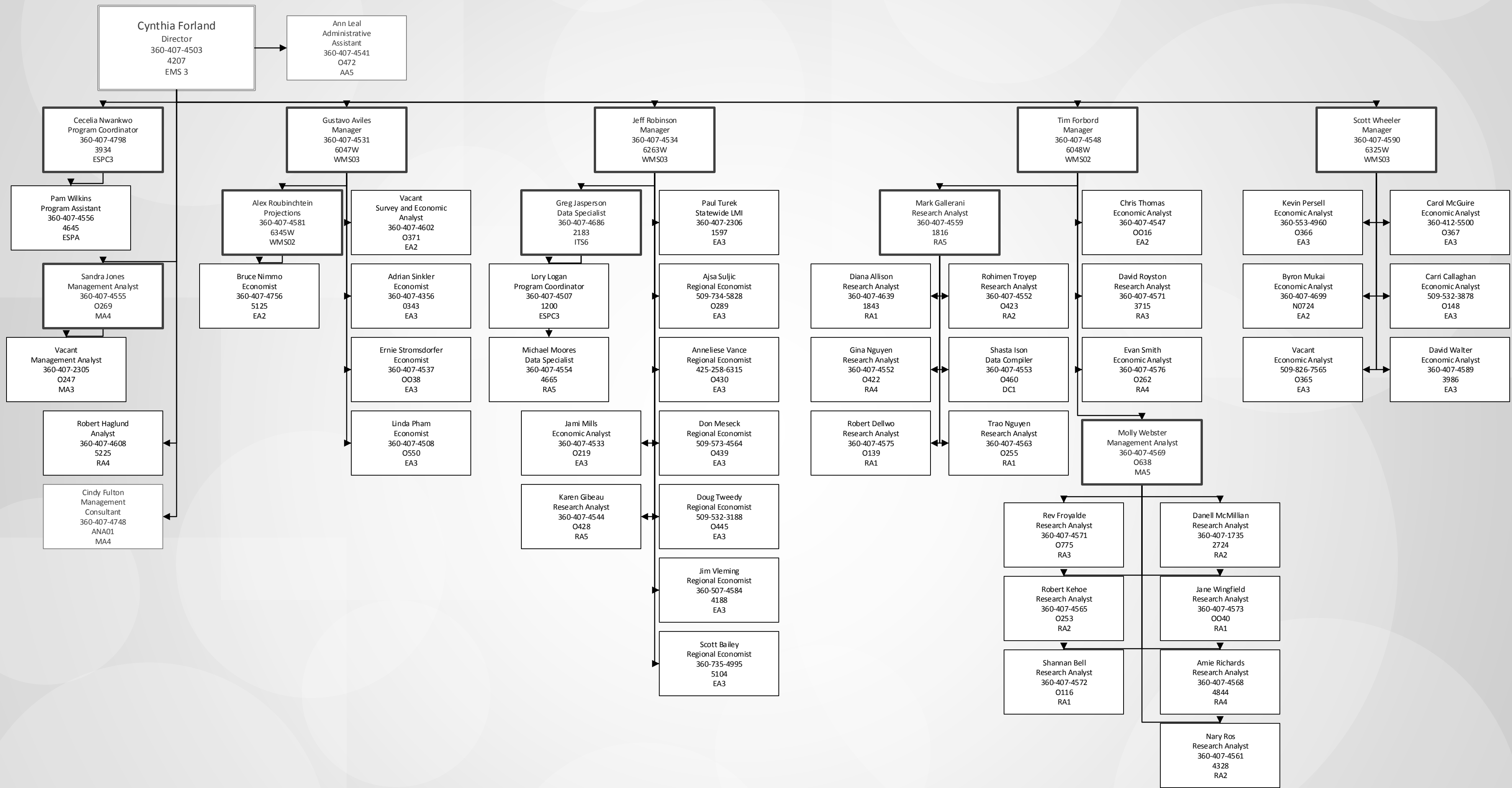
**Individual Placement/
Special Programs/Teams**
Lorraine Coots, PC3 YB11
Sidra Fields, PC2 YB07
Erika Jenkins, PC2 YB16
Mary Knox, PC2 NO710
David Reid, PC2 YB12
Josh Proehl, PC2 50%

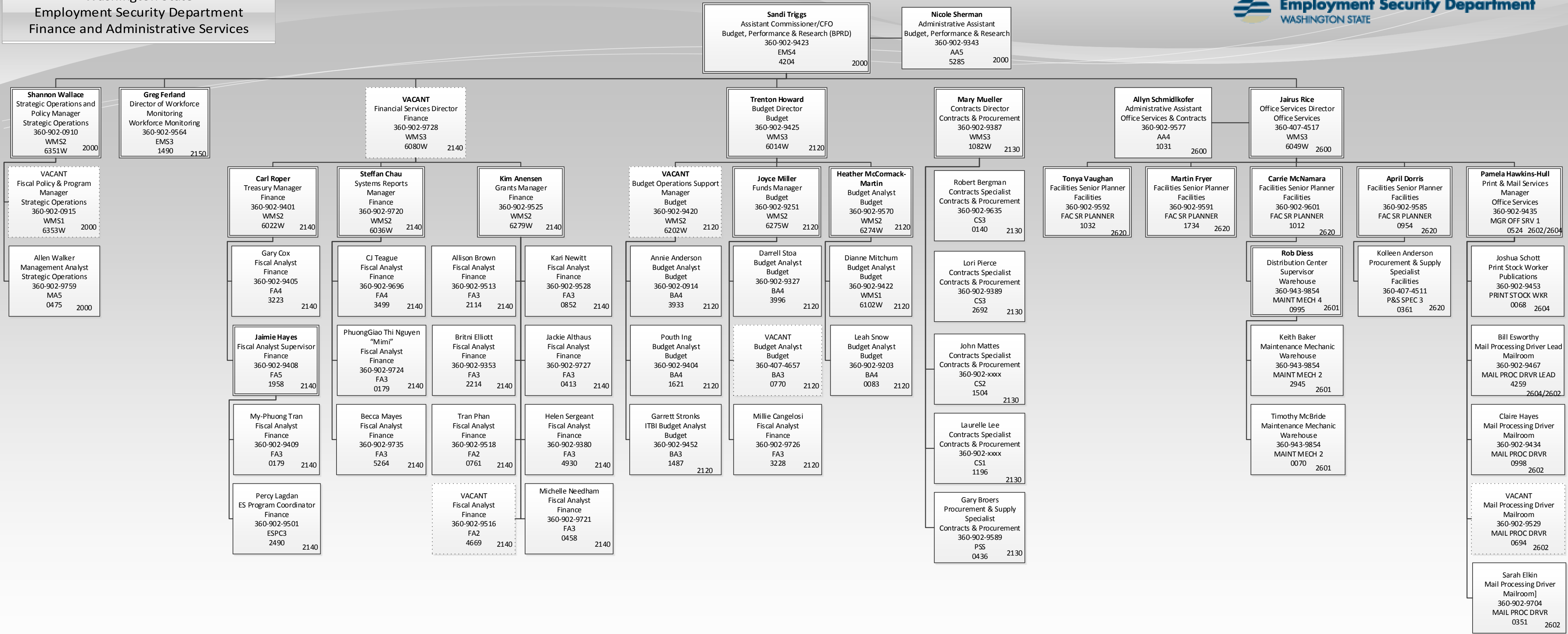
**Special Programs/
Performance Measurement**
Robert Brader, PC3 YB14

Training/Special Programs
Julie Garitone, PC3 YB10

Compliance
Mark Duncan, PC2 YB21

Labor Market and Performance Analysis



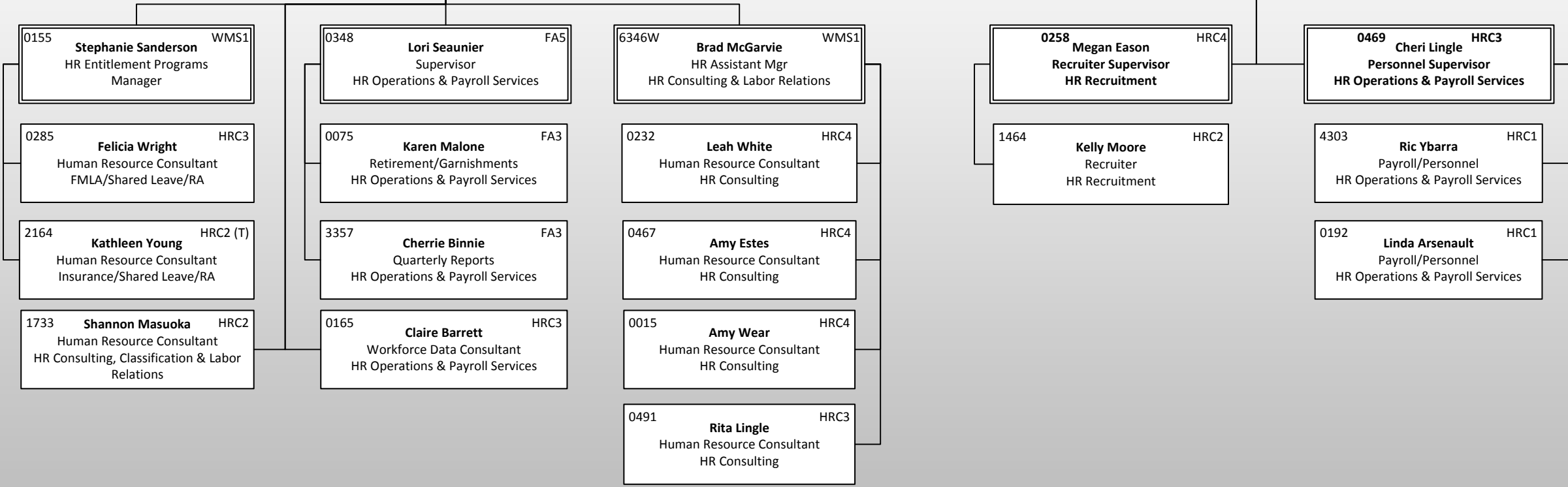


Employment Security Department
 Human Resources & Operational Support Division
September 16, 2015

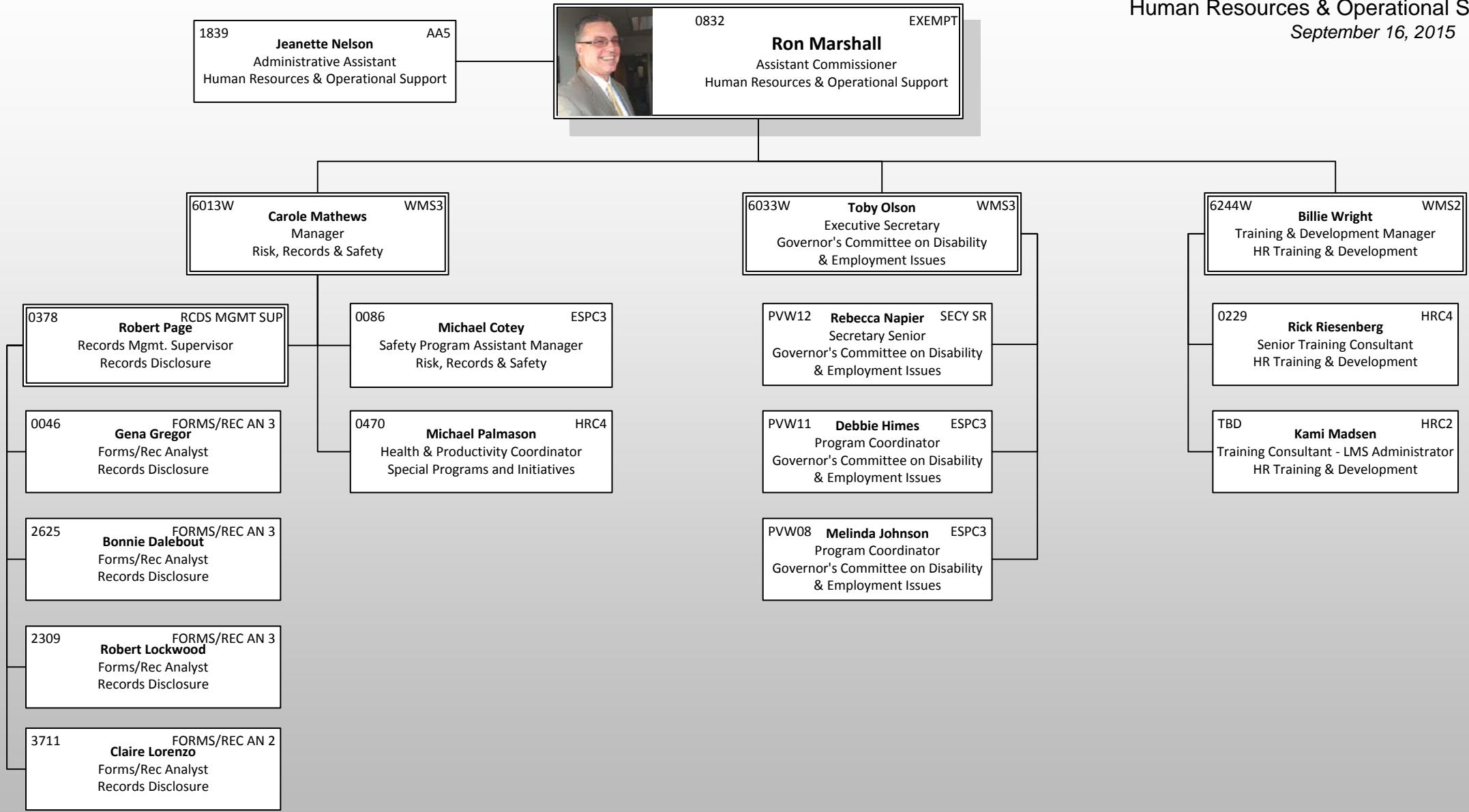
1839 Jeanette Nelson AA5 Administrative Assistant Human Resources & Operational Support		0832 EXEMPT Ron Marshall Assistant Commissioner Human Resources & Operational Support
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4209 Sandi LaPalm EXEMPT Deputy Assistant Commissioner HR Consulting, Classification, Labor Relations & Payroll

6017W Teresa Eckstein WMS2 State EO Officer Equal Opportunity, Diversity and Recruitment
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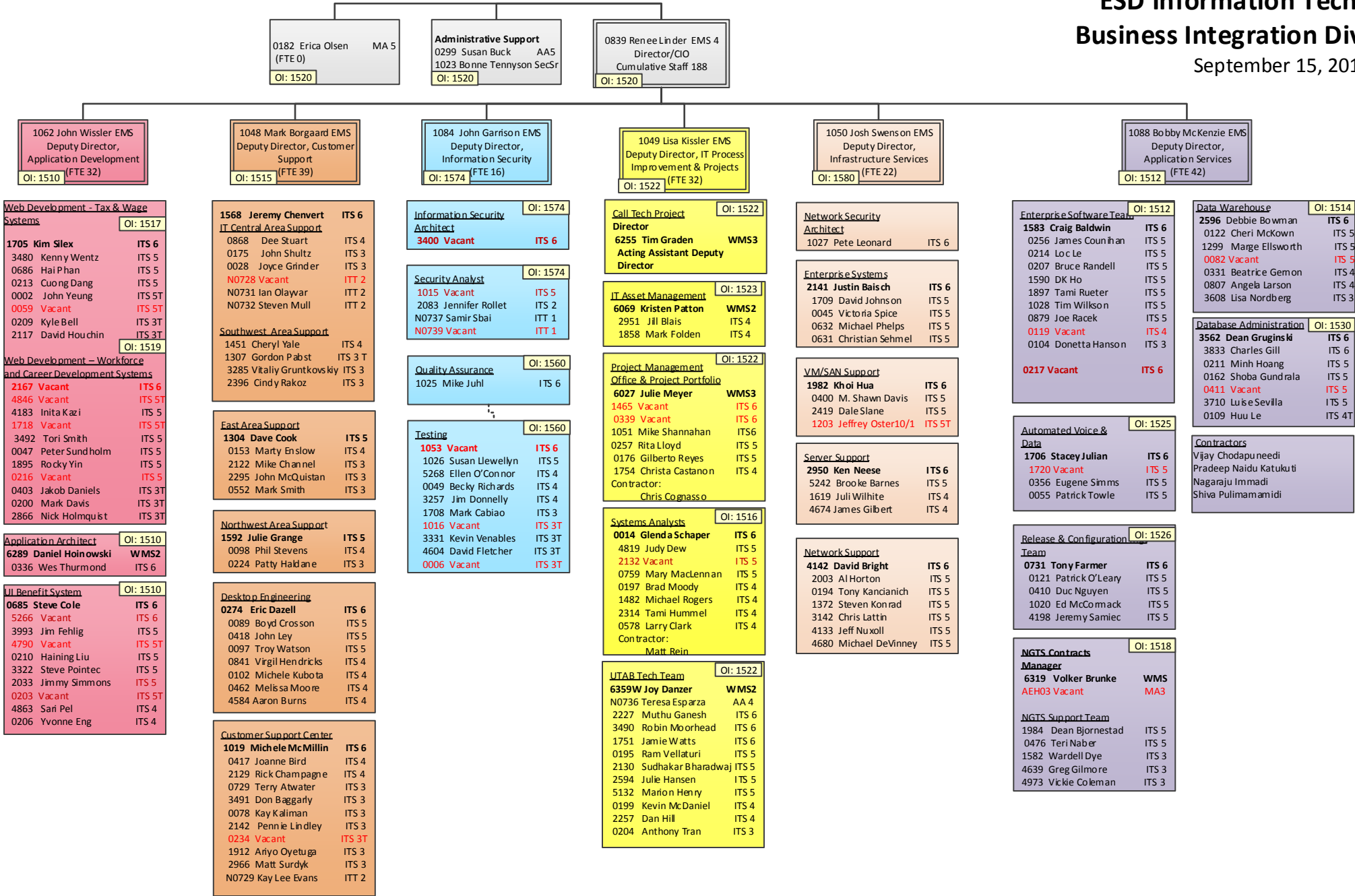


Employment Security Department
 Human Resources & Operational Support Division
September 16, 2015



ESD Information Technology & Business Integration Division (ITBI)


September 15, 2015



SQSP SIGNATURE PAGE

OMB Approval No. 1205-0132

Expires 12/31/2017

U.S. DEPARTMENT OF LABOR Employment and Training Administration	FEDERAL FISCAL YEAR 2016	STATE WA
UNEMPLOYMENT INSURANCE STATE QUALITY SERVICE PLAN SIGNATURE PAGE		
<p>This Unemployment Insurance State Quality Service Plan (SQSP) is entered into between the Department of Labor, Employment and Training Administration, and</p> <p style="text-align: center;"><u>WASHINGTON</u> (STATE'S NAME)</p> <p>The Unemployment Insurance SQSP is part of the State's overall operating plan and, during this Federal fiscal year, the State agency will adhere to and carry out the standards set forth in Federal UI Law as interpreted by the DOL, and adhere to the Federal requirements related to the use of granted funds.</p> <p>All work performed under this agreement will be in accordance with the assurances and descriptions of activities as identified in the SQSP Handbook and will be subject to its terms.</p>		
TYPED NAME AND TITLE	SIGNATURE	DATE
STATE ADMINISTRATOR Neil Gorrell Employment System Policy & UI Director Washington Employment Security Department		9/21/15
DOL APPROVING OFFICIAL Virginia Hamilton Regional Administrator, Region 6 Employment and Training Administration United States Department of Labor		
DOL APPROVING OFFICIAL		