

NEWS RELEASE

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Idaho Successfully Launches Unemployment Tax, Benefit Computer System

The Idaho Department of Labor has successfully launched a new unemployment insurance tax and benefit computer system, staff designed and built for just a fraction of what other states have spent on failed efforts to replace decades-old automated systems.

The transition from the mainframe computer to the Internet-based system called iUS was made Sept. 11 through Sept. 14, and the new system has already paid more than \$1 million in benefits without any major problems. It also generated 2015 tax notices for businesses in a matter of hours, replacing a labor intensive process that has taken about 2,000 hours annually in the past.

"We now have a system that is more efficient, easier to use, cheaper to maintain and has the capacity to accommodate changes in unemployment insurance laws and processes for years to come," Labor Director Ken Edmunds said. "iUS is flexible enough that it can be customized to meet the needs of any other state facing the kind of time crunch Idaho faced for developing an alternative to its mainframe system."

Work toward the new system began nearly five years ago after the Idaho state controller announced that the mainframe computer would be decommissioned at the end of 2014. The groundwork for iUS was laid during Idaho's participation with Arizona, Wyoming and North Dakota in initial design work on new computer programs all states could adopt for their unemployment insurance programs. This four-state project was funded by an \$18 million grant from the U.S. Department of Labor.

When it became clear the four-state consortium would not have a system ready to deploy by the end of 2014, the Idaho Department of Labor ignored warnings that the state would never be able to develop a system on its own and proceeded to do exactly that.

While the consortium continued its efforts - at a cost to date of over \$70 million - Idaho budgeted \$10 million to develop and deploy iUS before the end of 2014. Dedicating 12 department staff - experts in technology and unemployment insurance benefits and taxation - reinforced with eight contractors, the Idaho department completed work on and deployed the iUS benefit and tax system for \$7.1 million.

"iUS is built to facilitate doing things right the first time," Edmunds said, "eliminating a lot of effort previously spent fixing mistakes. These labor savings alone will likely cover the cost of annual maintenance, which should be less than 5 percent of the federal unemployment insurance operating grant to the state."

iUS is built to run on X86 server-based infrastructure, using Microsoft .Net -- C# MVC so it can run with little or no modification on the Microsoft Platform as a Service called Azure. Since you only pay for what you use, savings can be substantial. iUS is also the first system nationally to use Xerox Web services to interface with the ICON system for interstate claims.

Idaho has talked with other states about forming a consortium that would use iUS as the core system to be customized to meet the needs of the other states. It would also acquire federal funding that would ensure the development of future enhancements to the system.

"We think iUS has a lot to offer other states," Edmunds said, "and we're eager to prove that point."

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