

Comments of the Association of Unemployment Tax Organizations (AUTO)

Regarding the Pre-Implementation Planning Checklist for UI Modernization Projects

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Submitted to:

U.S. Department of Labor
Employment and Training Administration
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I. Introduction

The Pre-Implementation Planning Checklist for UI Modernization Projects is one of the most consequential tools available to the Department of Labor for improving the operational integrity of state UI systems before they go live. When the checklist surfaces a critical function as unaddressed, states can act. When the checklist does not surface it, states often do not know to ask, and the gap gets built into a system that will operate for a decade. The Association of Unemployment Tax Organizations ("AUTO") submits these comments to identify a category of critical functions the current checklist does not address: the workflows of authorized employer representatives and third-party administrators who are, in practice, the primary operational users of employer-facing state UI system functions.

AUTO is a national association of third-party administrators ("TPAs") and employer representatives engaged in unemployment insurance claims administration and unemployment tax management across all states. AUTO member firms collectively represent approximately 800,000 State Unemployment Insurance (SUI) accounts nationwide and file separation responses, manage correspondence, participate in SIDES exchanges, represent employers at hearings, and administer unemployment tax functions on behalf of employers across every state. As a result, AUTO members have direct operational experience with a significant portion of employer-facing interactions within

state UI systems. AUTO's membership does not include payroll companies or tax and wage reporting representatives.

The consequences of the checklist's current gap are not theoretical. In Oregon and Connecticut, states that have recently completed UI system modernizations, AUTO members encountered significant representative authorization and access failures following go-live. In Oregon alone, TPA-to-employer connections established under the legacy system were not ported to the new platform, and two years after go-live a significant number of connections remain incomplete. Texas is currently approaching go-live having planned to not carry over existing TPA-to-employer relationships from the legacy system, and transition continuity for existing representative relationships has not been confirmed, presenting precisely the conditions that produced extended remediation periods in the states above.

Each of these failures has a consequence that extends beyond operational disruption. The Department's own reporting has documented that improper payments represent a persistent and significant integrity challenge in the UI system. What that reporting does not fully capture is the contribution of authorized representative access failures to that problem. When a TPA cannot access a modernized system, cannot receive timely correspondence, or cannot file a timely separation response due to a POA recognition failure or transition continuity gap, the result is frequently an uncontested benefit determination. Uncontested determinations result in benefit charges that may not reflect the actual facts of separation, contributing directly to the improper payment problem the Department has worked to address. The checklist additions AUTO recommends are, in their operational effect, benefit payment accuracy measures.

II. Response to DOL's Stated Comment Interests

The Federal Register notice identifies four areas of particular interest for comments on the Pre-Implementation Planning Checklist ICR. AUTO addresses each directly.

A. Practical Utility of the Information Collection

The Federal Register notice states that the checklist is intended to function as "a validation that all necessary system functions will be available and/or that alternative workarounds have been developed prior to the production launch of a new UI IT system." AUTO's direct operational experience across multiple state modernizations demonstrates that authorized representative authorization and access functions meet the definition of "necessary system functions" within DOL's own framing and that the current checklist does not validate them.

The practical consequence is documented and recurring. In Oregon and Connecticut, representative access functions were either not operational at go-live, lacked documented workarounds, or were deferred without adequate mitigation planning, precisely the

conditions the checklist exists to prevent. In each case, the checklist did not prompt states to evaluate these functions before procurement and go-live decisions were finalized. The checklist's practical utility would be materially enhanced by adding representative authorization and access functions to the set of necessary system functions states are required to validate before launch.

B. Accuracy of Burden Estimates

The Department has documented that improper payments represent a significant and persistent challenge in the UI system. AUTO's operational experience identifies a direct and underappreciated contribution to that problem: when authorized representative access fails in a modernized system, benefit determinations are issued without effective representative participation. Separation responses go unfiled. Charges go uncontested. The resulting determinations may not reflect the actual facts of separation and the resulting benefit payments may be improper.

This burden falls on multiple parties and is not reflected in the current burden estimate for the checklist ICR:

- States absorb the administrative cost of re-authorization processes, re-papering workflows, and access disruption management following go-live, in some cases for years, as Oregon's experience demonstrates.
- Employers face delayed access to UI processes during critical response windows while representative relationships are re-established, increasing their exposure to uncontested charges.
- TPAs and authorized representatives incur significant administrative costs re-establishing access and re-executing authorizations that should have carried forward from legacy systems.
- The UI system as a whole absorbs improper payment exposure attributable to the period during which authorized representatives cannot act, a period that, in Oregon and Connecticut, has extended for more than two years.

A complete accounting of the burden associated with the checklist ICR should include the downstream operational and financial costs that result from checklist gaps, not only the direct cost of completing the checklist itself. Checklist items that prevent representative access failures reduce this burden materially.

C. Quality, Utility, and Clarity of Information Collected

AUTO's recommended checklist additions, described in Section IV below, would enhance the quality and utility of information collected by ensuring that representative-facing workflows receive the same pre-implementation scrutiny as direct-employer functions. The additions would prompt states to identify and document whether representative authorization workflows are fully operational at go-live, supported by workarounds, delayed or deferred, subject to mitigation planning, or dependent on additional technical assistance, information that currently falls entirely outside the checklist's scope and that,

when absent, produces the operational failures AUTO members have experienced in Oregon and Connecticut, Nevada, and New Mexico.

D. Minimizing Burden Through Electronic and Automated Means

AUTO's recommendations regarding SIDES integration directly reinforce DOL's stated interest in minimizing collection burden through electronic means. SIDES is the established, federally supported mechanism for electronic exchange of UI separation information between employers, their representatives, and state agencies. States with robust SIDES integration operate at measurably lower administrative burden than those relying on paper or fax workflows for the same functions and SIDES participation directly supports timely separation response activity, which reduces uncontested determinations and improper payment exposure. Checklist items prompting states to evaluate multiple SIDES exchange adoption and integration as part of modernization planning reinforce existing federal investment in SIDES infrastructure and serve both DOL's burden-reduction objectives and benefit payment accuracy simultaneously.

III. Documented Modernization Experience and Industry Input

AUTO's comments are grounded in two sources of evidence: direct operational experience across multiple state modernizations, and structured practitioner input collected through a formal prioritization exercise.

A. State Modernization Experience

AUTO members have encountered significant representative authorization and access failures in the following state UI system modernizations:

Oregon: Existing TPA-to-employer relationships established under the legacy system were not ported to the new platform. Access to the new system was configured such that employers, many of whom experienced difficulties establishing their own access, were required to individually re-establish each TPA connection. Two years after go-live, a significant number of TPA-to-employer connections remain incomplete, leaving authorized representatives unable to act on behalf of employer clients. During this extended disruption window, benefit determinations have been issued without effective representative participation, contributing to uncontested charges and improper payment exposure that remains unresolved.

Connecticut: Similar situation as in Oregon

Texas: Texas is currently approaching UI system modernization go-live having planned to not carry over existing TPA-to-employer relationships from the legacy system. As of the date of this submission, transition continuity for existing representative relationships has not been confirmed. AUTO is not in a position to characterize the full scope of Texas's

procurement and design decisions regarding representative workflows but the planned discontinuation of existing relationships at cutover, without confirmed transition continuity, presents precisely the conditions that produced extended remediation periods in the states above. AUTO respectfully urges the Department to prioritize checklist enhancements and direct outreach to states currently in late-stage modernization before additional go-live failures occur.

Kentucky: Kentucky provides a useful example of the importance of representative relationship continuity during modernization. During Kentucky's modernization planning process, stakeholders expressed concerns regarding the treatment of existing TPA-to-employer relationships and the operational consequences of requiring large-scale re-establishment of representative connections following implementation. Following stakeholder engagement, Kentucky modified its approach. This experience demonstrates that representative relationship continuity is both a recognized modernization consideration and an issue that can be successfully addressed when identified early in the planning process. The ETA 9177 checklist provides an opportunity to surface these considerations before implementation decisions are finalized.

B. Practitioner Prioritization Exercise

AUTO also developed these comments through a structured practitioner input process conducted during a member meeting at the SIDES conference in 2026, generating 71 open responses across five identified issue areas and 13 weighted votes in a ranked-priority exercise.

Priority Rankings:

- POA and representative authorization workflows: 5 votes (tied first)
- Early TPA involvement in modernization procurement: 5 votes (tied first)
- SIDES adoption and consistency across states: 3 votes (third)
- Correspondence routing and persistent identifiers: mentioned, not top-ranked
- Pre-go-live testing and accountability: mentioned, not top-ranked

Across those discussions, practitioners consistently identified a downstream consequence of representative access failures that the checklist currently does not address: when representative access fails, benefit charges go uncontested, and improper payments result. This connection between representative workflow failures and benefit payment accuracy is a recurring and underappreciated dimension of the improper payment problem in the UI system.

IV. Recommended Checklist Additions

AUTO recommends that the ETA 9177 checklist review activities prompt states to identify whether representative-access and authorization-related functions are:

- fully operational at go-live;
- supported by documented workarounds;
- delayed or deferred;
- subject to mitigation planning; and/or
- dependent on additional technical assistance.

The six areas below reflect the specific operational considerations AUTO members identified as most consequential. Sections A and B received the highest priority ranking in AUTO's practitioner research, tied at five votes each, and are presented with correspondingly greater operational detail. Sections C through F address supporting areas that, when they fail, compound the impact of failures in A and B and create additional pathways to uncontested determinations and improper payments.

A. Power of Attorney (POA) and Representative Authorization

AUTO recommends that the modernization checklist prompt states to evaluate how representative authorization is established, recognized, and maintained throughout system workflows. This is the highest-priority area identified by AUTO member practitioners and the area where checklist gaps have the most direct and documented consequence for both operational continuity and benefit payment accuracy.

Recommended ETA 9177 Checklist Prompts:

- Whether representative authorization workflows are fully operational at go-live;
- Whether representative relationships remain active during modernization transitions without requiring mass re-authorization;
- Whether representative authorization is independently operationalized outside employer-managed account setup processes;
- Whether new authorizations are prevented from silently overwriting existing representative relationships without notice;
- Whether active representative relationships are portable into the new system during migration; and
- Whether states have established clear processing timelines or service-level standards related to POA establishment and visibility.

Operational Consideration:

A user account is operational access. A Power of Attorney is legal authorization. They are not the same, and one cannot substitute for the other. When modernized systems establish representative access through employer portal user accounts rather than independently operationalized authorization constructs, as occurred in Oregon and Connecticut, authorized representatives lose the ability to act at precisely the moment employers most need them: at system go-live, during high-volume filing periods, and during transitions between systems.

The consequences extend directly to benefit payment accuracy. When an authorized representative cannot file a timely separation response due to a POA recognition failure, a silent overwrite, or a transition continuity gap, the result is an uncontested benefit determination. As the Department's own reporting has documented, uncontested determinations are a significant source of improper payments in the UI system. Checklist guidance that ensures representative authorization is validated before go-live reduces that improper payment pathway, directly and measurably.

B. Early TPA Involvement in Modernization Procurement and Design

AUTO recommends that the checklist prompt states to engage TPAs and employer representatives early in modernization planning and procurement activities. This is the second highest priority identified by AUTO member practitioners and the area where earlier intervention creates the greatest reduction in downstream costs both administrative and financial.

Recommended ETA 9177 Checklist Prompts:

- Whether representative-facing workflows were included as named use cases during requirements development and procurement scoping;
- Whether representative stakeholders participated in structured workflow validation sessions prior to RFP finalization;
- Whether TPAs participated in User Acceptance Testing ("UAT"); and
- Whether representative workflow continuity has been validated prior to production deployment.

Operational Consideration:

The consistent pattern AUTO members observe across state modernizations is this: TPA workflows are first raised at User Acceptance Testing, after system architecture is already locked. Bulk data access design, identifier standards, role separation constructs, and representative parity decisions are embedded in the build long before UAT begins. These are not minor adjustments. They are foundational design choices that determine whether a TPA can operate at scale in the new system.

The Oregon and Connecticut experiences share a common origin: representative workflows were not incorporated into procurement scoping. Texas is approaching go-live with the planned discontinuation of existing representative relationships and transition continuity unconfirmed. The checklist is the intervention point. By prompting states to include representative workflows as named use cases during requirements development, before the RFP is finalized, the checklist can prevent the procurement omissions that produce every subsequent failure in the chain. When these gaps are instead discovered post-go-live, benefit determinations continue to be issued without effective representative participation during the remediation period, increasing improper payment exposure for the duration.

C. Data Access and Operational Workflow Continuity

AUTO recommends that the checklist prompt states to evaluate operational data access requirements affecting authorized representatives, who process UI interactions at volumes that make manual, document-by-document workflows operationally impractical.

Recommended ETA 9177 Checklist Prompts:

- Whether standardized and machine-readable identifiers are included on all notices and correspondence;
- Whether bulk retrieval and export functions are available for high-volume operational workflows;
- Whether consistent data formatting standards aligned with established conventions are supported; and
- Whether representative-facing data access workflows are fully operational at go-live.

Operational Consideration:

AUTO members process UI interactions at a volume that makes manual workflows operationally impractical. When bulk data access is not available, or when identifiers are non-standardized, the result is delayed response activity at scale, and delayed responses mean uncontested determinations. Modernization efforts that do not address these workflows during procurement may appear functionally complete when tested with low-volume direct-employer use cases but fail at the volumes representative users generate in production. The checklist should prompt states to evaluate data access with high-volume representative use cases explicitly in scope.

D. SIDES Utilization and Operational Integration

AUTO recommends that the checklist prompt states to evaluate the extent to which SIDES exchanges are integrated into modernization planning. SIDES is the established, federally supported mechanism for electronic exchange of UI separation information and its integration is directly relevant to both DOL's burden-reduction objectives and benefit payment accuracy.

Recommended ETA 9177 Checklist Prompts:

- Whether SIDES exchanges are supported throughout the full claim lifecycle where operationally feasible;
- Whether continued reliance on paper or fax workflows has been evaluated where electronic exchange capability exists;
- Whether representative-facing SIDES workflows are fully operational at go-live; and
- Whether modernization planning is coordinated with existing SIDES infrastructure investments.

Operational Consideration:

States with robust SIDES integration operate at measurably lower administrative burden than those relying on paper or fax workflows. More directly relevant to the Department's improper payment concerns: SIDES participation enables timely separation response activity, which reduces uncontested determinations. Modernization planning that does not explicitly evaluate SIDES integration risks embedding paper-dependent workflows into systems for a decade or more, at sustained cost to both administrative efficiency and benefit payment accuracy. Checklist items reinforcing SIDES integration simultaneously serve DOL's burden-reduction objectives and strengthen the integrity of benefit determinations.

E. Correspondence Routing and Persistent Identifiers

AUTO recommends that the checklist prompt states to evaluate how correspondence is routed and identified throughout the modernized system, with specific attention to high-volume representative workflows.

Recommended ETA 9177 Checklist Prompts:

- Whether representative notice routing is aligned with authorized access permissions and the employer record;
- Whether persistent machine-readable identifiers, including claim ID, employer account number, and document type, are included on all notices;
- Whether representative-facing correspondence workflows are fully operational at go-live; and
- Whether mitigation plans exist for delayed or deferred correspondence routing functionality.

Operational Consideration:

When notices are routed to the employer rather than the authorized representative of record, or when notices lack consistent identifiers that enable high-volume automated processing, the result is delayed response activity and missed response deadlines. A missed response deadline on a separation determination is a direct pathway to an uncontested charge. These are not edge cases in states where correspondence routing has not been designed with representative workflows in mind, they are routine operational conditions. The checklist should prompt states to evaluate correspondence routing design with authorized representative use cases explicitly in scope before go-live.

F. Pre-Go-Live Readiness and Operational Accountability

AUTO recommends that the checklist prompt states to evaluate operational readiness for representative workflows specifically, prior to modernization cutover, not only for direct-employer and agency-side functions.

Recommended ETA 9177 Checklist Prompts:

- Whether representative authorization workflows are fully operational at go-live;
- Whether representative workflow continuity has been validated prior to production deployment;
- Whether published operational service expectations for POA processing, correspondence routing, and response timelines have been established; and
- Whether continuity risks affecting employer representatives and authorized users during transition activities have been evaluated and mitigated.

Operational Consideration:

Standard pre-launch testing focuses on direct-employer and agency-side workflows. Representative-specific failures, POA recognition errors, access permission gaps, correspondence routing misalignment, emerge at scale only when high-volume operational usage occurs after go-live. By that point, remediation is expensive, disruptive, and slow. Oregon demonstrates the outer boundary of this problem: two years of incomplete remediation, with authorized representatives still unable to act on behalf of employer clients and improper payment exposure accumulating throughout. Explicit pre-launch testing of representative workflows, with documented status against the ETA 9177 framework, would materially reduce this recurring pattern in future modernizations.

V. Specific Recommendations to the Department

Based on the operational experience and practitioner input described above, AUTO makes the following specific recommendations to the Department.

First,

AUTO recommends that the Department add checklist items to the ETA 9177 Pre-Implementation Planning Checklist that specifically address representative authorization workflows, transition continuity for existing POA relationships, procurement-phase TPA engagement, and pre-go-live testing of representative-facing system functions. The recommended ETA 9177 checklist prompts described in Section IV above are offered as proposed additions suitable for direct incorporation into the existing checklist structure and reporting framework.

Second,

AUTO recommends that the Department engage AUTO and its member practitioners in future ETA 9177 checklist development and review activities. As the Federal Register notice acknowledges, DOL continues to engage with State Workforce Agencies on possible improvements to the checklist, and notes that an additional Federal Register Notice will be published should changes be proposed as part of that effort. AUTO respectfully requests that TPA practitioners be included in that engagement. AUTO member firms possess direct, high-volume operational experience with state UI systems across every state, experience that is not otherwise represented in the checklist

development process and that is directly relevant to the checklist's stated purpose of preventing major disruption of services to UI customers.

Third,

Given that Texas is currently approaching UI system modernization go-live having planned to not carry over existing TPA-to-employer relationships and with transition continuity for existing representative relationships unconfirmed, AUTO recommends that the Department prioritize outreach to Texas and other states currently in late-stage modernization to communicate the importance of validating representative authorization and access functions before cutover, regardless of the timeline for formal checklist revision.

VI. Conclusion

The Pre-Implementation Planning Checklist exists because the Department recognized that operational failures caught before go-live are far less costly than failures discovered after. AUTO's comments extend that recognition to a category of operational functions the current checklist does not address, the workflows of authorized employer representatives and TPAs who are, in practice, the primary users of employer-facing state UI system functions.

The experience in Oregon, Connecticut, Nevada, and New Mexico is not a collection of isolated incidents. It is a pattern, produced by a consistent procurement omission that the checklist could prevent. Texas is approaching go-live with the planned discontinuation of existing representative relationships and transition continuity unconfirmed. The cost of addressing it now, through checklist revision and targeted outreach, is a fraction of the cost of two years of incomplete remediation and accumulated improper payment exposure.

The Department's own reporting has documented the scale and persistence of improper payments in the UI system. What AUTO's operational experience adds to that record is a specific, actionable, and previously under-documented contribution to that problem, one that checklist revision can directly address. Authorized representative access failures are not a peripheral concern. They are a documented pathway to uncontested determinations and improper payments, repeated across every state modernization that has excluded representative workflows from the checklist's scope.

AUTO respectfully recommends that the Department act on this opportunity to strengthen the checklist before the next generation of state modernizations produces the same failures. AUTO stands ready to engage with the Department as a practitioner resource in that effort.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jorie Cummis", with a long horizontal flourish extending to the right.

Jorie Cummis

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