Federal Grant Application Request

Oregon Employment Department

Performance Reporting Information System

Analyst: Michelle Deister, Legislative Fiscal Office

Request: The Employment Department requests permission to apply for a federal Workforce Data Quality Initiative grant of up to $1.2 million from the United States Department of Labor, to fund a redesign of the agency's Performance Reporting Information System (PRISM).

Recommendation: The Legislative Fiscal Office recommends retroactive approval of the request to apply for a federal Workforce Data Quality Initiative grant of up to $1.2 million from the United States Department of Labor, to fund a redesign of the agency's Performance Reporting Information System (PRISM).

Analysis: The U.S. Department of Labor is making approximately $6 million available to states to develop or expand state longitudinal data systems. These are systems states use to evaluate the efficacy of various workforce programs related to training, success in applying for and keeping work, wage data, etc. This is a competitive grant, awards for which can be spent over a period of three years. The grant application was due April 25, 2013. There is no information available about when a determination will be made. No matching funds are required. The grant is consistent with the mission of the Employment Department, which is to support business and promote employment by (among other activities) developing and distributing quality workforce and economic information to support informed decision making.

The Employment Department currently has a longitudinal data system in place that was developed over ten years ago. The system currently includes data for six programs (Employment Services; Temporary Assistance to Needy Families; Vocational Rehabilitation; Post-Secondary Career Technical Education; and Work Force Investment Act Title 1B and Title II) in three agencies (Employment Department, Department of Human Services, and Department of Community Colleges and Workforce Development). The interface consists of a website with pre-prepared tables and graphs, which may or may not relate to what the customer/decision maker is seeking. If the grant application is successful, the Employment Department would use the funding to link to data sets and program information for Trade Act, Unemployment Insurance Benefits, Supplemental Nutritional Assistance Program, enrollment in community colleges, universities, and perhaps apprenticeships and high school data; the enhanced version would enable customers to develop customized reports. Examples of reports that are not currently available include the following:
- Information on the percentage of those served by the workforce system who choose to stay in school or enroll in school;
- The percentage of those served by the workforce system that are served by multiple programs; and
- Actual and comparative employment outcomes for individuals who receive specific services in the workforce system.

The goal of these enhancements is to use the information to determine the efficacy of services over the longer term and to determine the mix of services that provide the best employment and wage outcomes to various populations.

In the 2011-13 biennium, the Employment Department struggled to appropriately plan, document and successfully complete certain information systems projects on time and within initial budget estimates. The agency is working with the Chief Financial Office and Chief Information Office to evaluate and prioritize its system needs, and to determine the appropriate level of staff resources to initiate and successfully complete IT enhancements and new projects, as well as maintain its systems. At the same time, the agency is facing a decrease in federal funding for the 2013-15 and 2015-17 biennia and has indicated a need to (eventually) replace its aging information systems infrastructure, particularly those systems that are involved in the calculation, payment, control and tracking of unemployment insurance benefits. Without a dedicated source of funding – such as this grant – improvements to the PRISM system are unlikely to take place. Despite the challenges the Department has faced of late, the Legislative Fiscal Office is recommending that the request to apply be approved, to enable the Department to compete for the funds.

The agency will need to return to the Legislature or the Legislative Emergency Board to seek expenditure limitation and position authority if the grant is awarded. The Legislative Fiscal Office will be working closely with the state Chief Information Officer to make a determination about whether the Employment Department is in a position at that time to successfully complete the project given other demands and priorities related to its information systems.

The Legislative Fiscal Office recommends retroactive approval of the request.

Oregon

John A. Kitzhaber, MD, Governor

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WORKSOURCE
OREGON

April 16, 2013

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

RE: Grant Request – Workforce Data Quality Initiative

Dear Co-Chairpersons:

Nature of the Request
The Oregon Employment Department (OED) is requesting approval to apply for a Workforce
Data Quality Initiative (WDQI) grant from the U.S. Department of Labor (DOL). OED will be
applying for up to $1.2 million, and associated position authority, which will extend over three
years. The application deadline is April 25, 2013.

Background
The purpose of the DOL WDQI grants is to develop or improve state workforce longitudinal data
systems, adding linkages to education data, improving the use of workforce data for program
evaluation, and developing user-friendly information for customers.

DOL has approximately $6 million available, and expects to fund up to six grants, each with a
maximum amount of $1.2 million and a duration of three years. These are competitive grants.
There are no match requirements.

Implications and Opportunities for Oregon
Oregon has an existing workforce longitudinal data system -- the Performance Reporting
Information System (PRISM) contained in ORS 657.734. PRISM answers basic performance
questions about Oregon's workforce system: do the individual served find jobs, do they stay
employed, and do their wages increase? PRISM has been in use for about a decade, and before
that, a more limited system -- the Shared Information System -- was in place. PRISM allows
performance measurement not just for the workforce system as a whole, but also based on factors
such as which program(s) the individual was served by, geographic location, and various
demographic characteristics such as gender, age, education level, disability, race/ethnicity, and
veteran status. In addition, PRISM helps policy makers understand and measure the impact of
specific policy changes on workforce system operation and performance.

PRISM is housed in, and operated by, the Employment Department. Additional member
agencies include the Department of Human Services and Department of Community Colleges
and Workforce Development. Key customers include the three member agencies, as well as

Oregon's State and local Workforce Investment Boards and the Governor's Workforce Policy Advisor.

For the past few years, many key PRISM customers have expressed the wish that PRISM be more user-friendly and more flexible. The interest in making such improvements has increased over the past year, with significant momentum from the Governor's Office.

Incremental PRISM improvements are already underway, but the ability to completely redesign the system -- particularly the user interface -- is very limited within PRISM's base "maintenance" funding level provided by the member agencies. This WDQI grant presents the opportunity and funding to collectively design and define the new system and then develop and implement that new system over a three year period.

The primary benefits from this grant will be: a) adding new programs, including unemployment insurance benefits and education-related data to the performance system; b) allowing partners and policy-makers input into the redesign of the PRISM; and c) redesign of the user interface, making much more flexible and useful information available to all the key customer groups.

The proposed improvements to PRISM are specifically identified as an initiative within the Employment Department's 2013-15 Strategic Plan: "Lead efforts to develop and implement performance measures for state and local workforce planning." The Employment Department Strategic Plan supports the Oregon Workforce Investment Board's Strategic Plan.

OED has mapped out a phased approach to this grant, if awarded. The Workforce and Economic Research Division will be the lead for the project, initially convening meetings and work groups of partners, policy-makers, workforce system staff, workforce board directors, and others, to listen, and to develop the ideas for and structure of the new PRISM. An IT project manager, working with the Research Division for this project, will be involved in this work, primarily to assist with project planning and to make sure that the eventual information developed is actionable for IT staff. Once the new PRISM has been defined, we expect to have two IT staff working on this project full-time, for about 21 months, starting in early 2015.

The staffing/resource commitment for this grant is relatively small. Across the three-year span of the grant, we expect the total FTE to average 3.18. The actual FTE allocated to the grant will vary from 0.65 in the early months to 3.85 during the early phases of the design and development of the new system. These FTE primarily reflect the Research and IT staff already involved in PRISM, the project manager, and the two IT staff who will provide the development and quality assurance testing.

The Employment Department's Information Technology Governance Committee has reviewed and approved this project, assuming all other approvals are received, in part due to the recognition of the importance of this project to the state's workforce system and Governor's Office.

If this request is not approved, we will continue making incremental improvements to PRISM (e.g. adding new measures, adding new programs), but we will not completely re-think the measures, nor -- most importantly -- will we redesign the PRISM user interface. (The current PRISM user interface consists of selecting from dozens of pre-prepared reports; the new user

interface would ideally allow customers to define their own queries/reports and produce completely customized reports for their own purposes.)

Action Requested

The Employment Department requests that the committee approve our request to apply for the Workforce Data Quality Initiative grant for $1.2 million in federal funds.

Legislation Affected

Federal Funds – Oregon Laws 2012, Chapter 110, Section 12(2).

Thank you for your consideration in this matter.

Sincerely,

Laurie A. Warner
Director

cc: George Naughton, BAM Administrator
        William McGee, DAS, BAM
        Ken Rocco, Legislative Fiscal Office
        Michelle Deister, Legislative Fiscal Office