

GRANT REQUEST PONY

**Oregon Employment Department
Performance Reporting Information System**

(Reported out of Subcommittee on 4/29/2013)

The Transportation and Economic Development Subcommittee recommends retroactive approval of the Employment Department's request to apply for a federal Workforce Data Quality Initiative grant of up to \$1.2 million from the United States Department of Labor. If awarded, the grant will fund a redesign of the agency's Performance Reporting Information System (PRISM).

The Employment Department's PRISM system was designed over a decade ago, and is used to evaluate the efficacy of certain workforce programs related to training, success in applying for and keeping work, and wage data. The Employment Department proposes to expand the number of programs and agencies for which data is collected and reported, and allow stake holders -- including policy makers in the Department of Community Colleges and Workforce Development, Department of Human Services, and Department of Education -- to develop customized reports.

The Employment Department submitted its initial request for the grant in a timely fashion, but the grant could not be scheduled in subcommittee prior to the submission deadline of April 25. 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. If the grant is awarded, the Employment Department will need to return to the Legislature or the Emergency Board to seek expenditure limitation and position authority to complete the project. The Legislative Fiscal Office will be working closely with the Department of Administrative Services Chief Information Officer to determine whether the Department is in a position, at that time, to successfully complete the project given other demands and priorities related to its information systems.

The Transportation and Economic Development Subcommittee recommends approval of the request.

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.