



Modernization Initiative

Joint Legislative Committee on Information Management Technology

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Modernization is our Key Initiative

- Goal of our Modernization Initiative is to evaluate, improve, and replace core business and computer systems
 - Support Unemployment Insurance taxes and benefits
 - Workforce Operations employment services and labor exchange
- Better meet the needs of our customers – Oregonians and Oregon businesses
- Improve data security



We Must Modernize to Better Serve our Customers

- In 2016, our Unemployment Insurance system served 142,031 Oregon businesses and 1,980,276 Oregonians, paying benefits to 125,393 citizens
- The Unemployment Insurance computer systems were designed in the 1990s
- In program year 2015, our Workforce Operations system served almost 300,000 job seekers—more than 11,000 businesses posted job openings with us
- Our Workforce Operations system was piloted in 2003 and launched April of 2004



We Must Modernize to Improve Performance and Security

- Age of systems + modifications over time → complexity of interdependencies = unstable computing environment
- Modifications and maintenance are increasingly more difficult and costly
- Disparate systems using different platforms and languages are not compatible
- Institutional knowledge being lost
- Increasing risk of catastrophic failure
- Known security risks and increasing cyber attacks

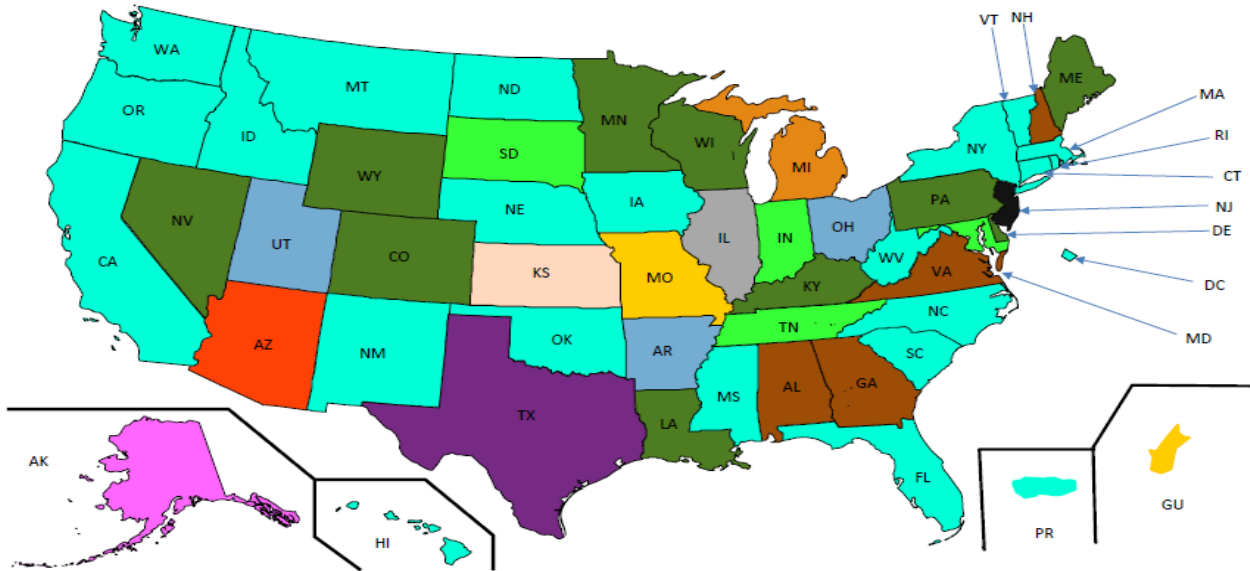
Almost All States Face Technology Challenges Implementing Workforce Innovation and Opportunity Act

- Connecting disparate systems
 - Basic sharing of information between agencies is the biggest gap
- Upgrading current systems
 - Difficulty with very old mainframe technology
- Establishing a common intake process
 - No common intake, referral, or reporting system

“How States are Investing in Innovation & Technology” - Governing Institute online survey and telephone interviews with 41 state officials who have direct involvement in the implementation of the Workforce Innovation and Opportunity Act- August and September 2015.



Workforce Programs In State Workforce Agencies



# of Programs	WIOA	UI	Wagner Peysper	Adult Education	TAA	Voc Rehab	TANF	LMI	VETS
4		X	X					X	X
4	X		X		X				X
5	X		X		X			X	X
5	X		X	X	X				X
5		X	X		X			X	X
6	X	X	X		X			X	X
7	X	X	X		X	X	X	X	X
7	X	X	X		X		X	X	X
7	X	X	X	X	X			X	X
7	X	X	X	X	X	X		X	X
8	X	X	X	X	X	X		X	X
8	X	X	X	X	X	X	X	X	X
9	X	X	X	X	X	X	X	X	X

States
1
1
2
1
4
23
1
3
4
10
1
1

Results from NASWA State Organizational Structure Survey--March 2015 (revised October 2015)

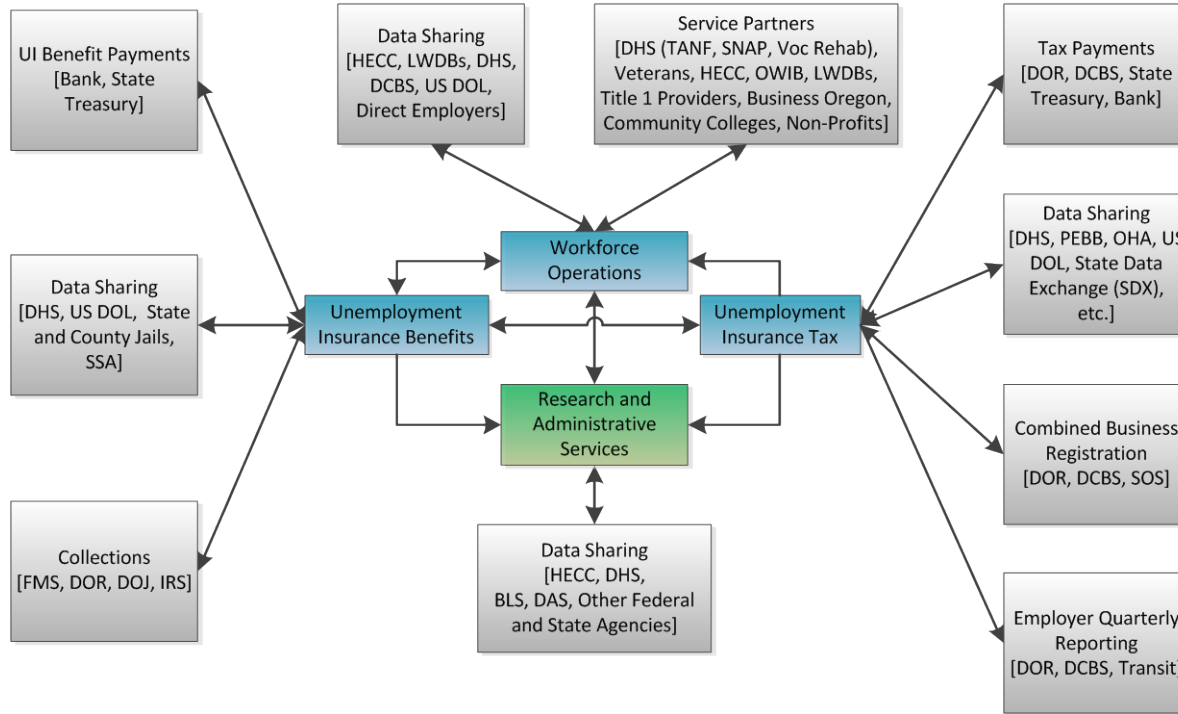
Research by Kevin Naud, Staff Assistant, and Hillary Hewko, Staff Assistant



Partners are Necessary for Core Business Processes

State and Local Acronyms:

DHS – Department of Human Services
 DOR – Department of Revenue
 DAS – Department of Administrative Services
 DCBS – Department of Consumer and Business Services
 DOJ – Department of Justice
 SOS – Secretary of State
 PEBB – Public Employees Benefit Board
 OHA – Oregon Health Authority
 HECC – Higher Education Coordinating Commission
 OWIB – Oregon Workforce Investment Board
 LWDB – Local Workforce Development Board



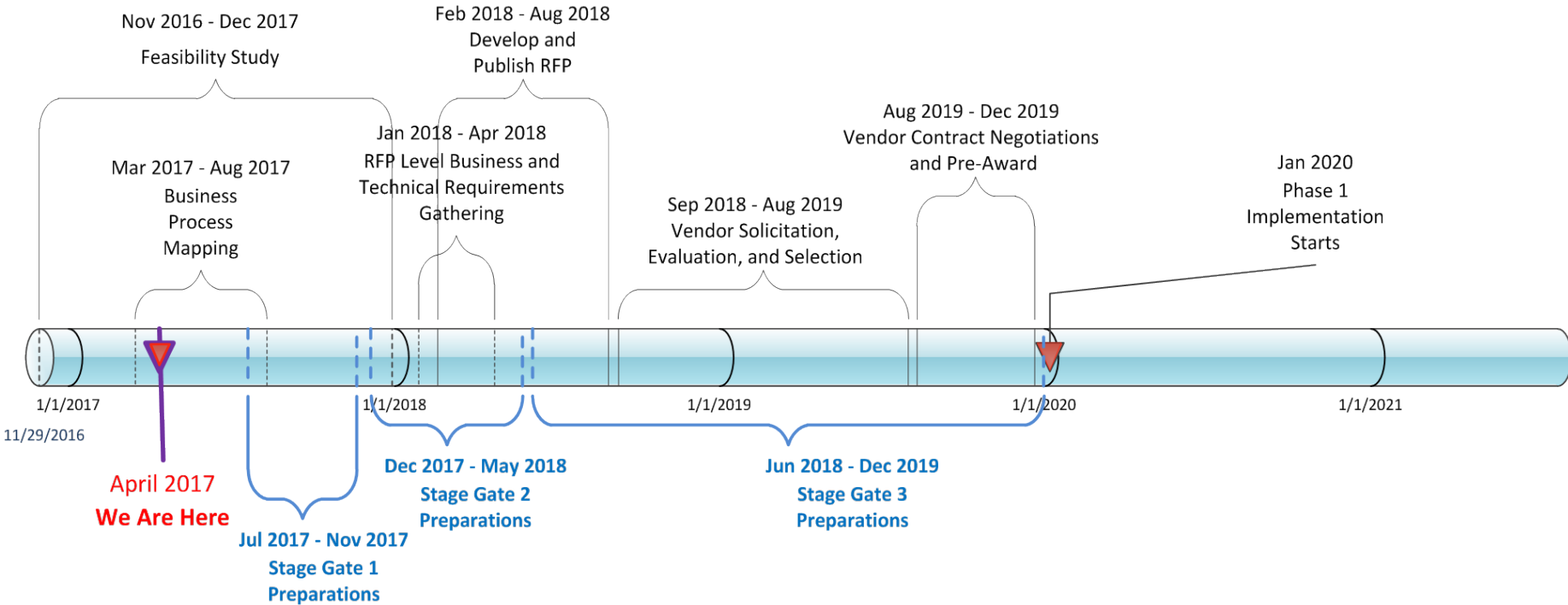
Federal Acronyms:

ICON – Interstate Connection Network
 SIDES – State Information Data Exchange System
 FMS – Financial Management Services
 BLS – Bureau of Labor Statistics
 SSA – Social Security Administration
 US DOL – United States Department of Labor

- Business Programs in Scope for Modernization
- Internal Partners Impacted by Modernization
- Stakeholders Impacted by Modernization



Modernization Initiative Estimated Timeline



Our First Step: Complete a Feasibility Study

Goals:

- Create strategic plan for modernization, identifying and incorporating department business needs
- Perform readiness assessment to identify our level of preparedness to initiate the project detailed in the modernization strategic plan relating to people, processes, data, and technology

Approach:

- Conduct series of assessments, that build upon each other, to provide information needed to inform the modernization strategic plan



Feasibility Study Status and Milestones

Schedule Ahead On Track Caution Danger
 Cost Below On Track Caution Danger
 Scope On Track Caution Danger
 Project Health On Track Caution Danger



Milestone	% Complete	Due	Participants
Feasibility Study Kick-Off Meeting	100%	November 28, 2016	Core Team (Employment Department & Vendor Team), Steering Committee
Feasibility Initiation/Project Management			
Detail Project Plan	100%	February 10, 2017	Core Team, Steering Committee
Project Schedule			
Business Needs Assessment	100%	March 20, 2017	Core Team, Business Subject Matter Experts
System Functionality and Technology Assessment	50%	May 2, 2017	Core Team, IT Team
Gap Analysis	10%	June 2, 2017	Core Team
Market Solutions Review	0%	October 6, 2017	Core Team
Modernization Strategy Plan Creation	0%	November 17, 2017	Core Team, Steering Committee
Readiness Assessment	0%	December 15, 2017	Core Team, Steering Committee
Project Closeout	0%	December 29, 2017	Core Team, Employment Department Procurement



Modernization is a Multi-Biennia Effort

Biennium	Description	Actual + Projected Expenditures*
2015-17	Base budget	\$ 504,103
	Policy package 101	\$ 881,582
	Total	\$ 1,385,685

2017-19	Base budget	\$ 688,847
	Policy package 101	\$ 4,682,314
	Total	\$ 5,371,161

2019-21	Base budget	\$
	Policy package xxx	\$
	Total	\$

2021-23	Base budget	\$
	Policy package xxx	\$
	Total	\$

Cumulative Base Budget	\$ 1,192,950
Cumulative Policy Packages	\$ 5,563,896
Total through 2017-19	\$ 6,756,846

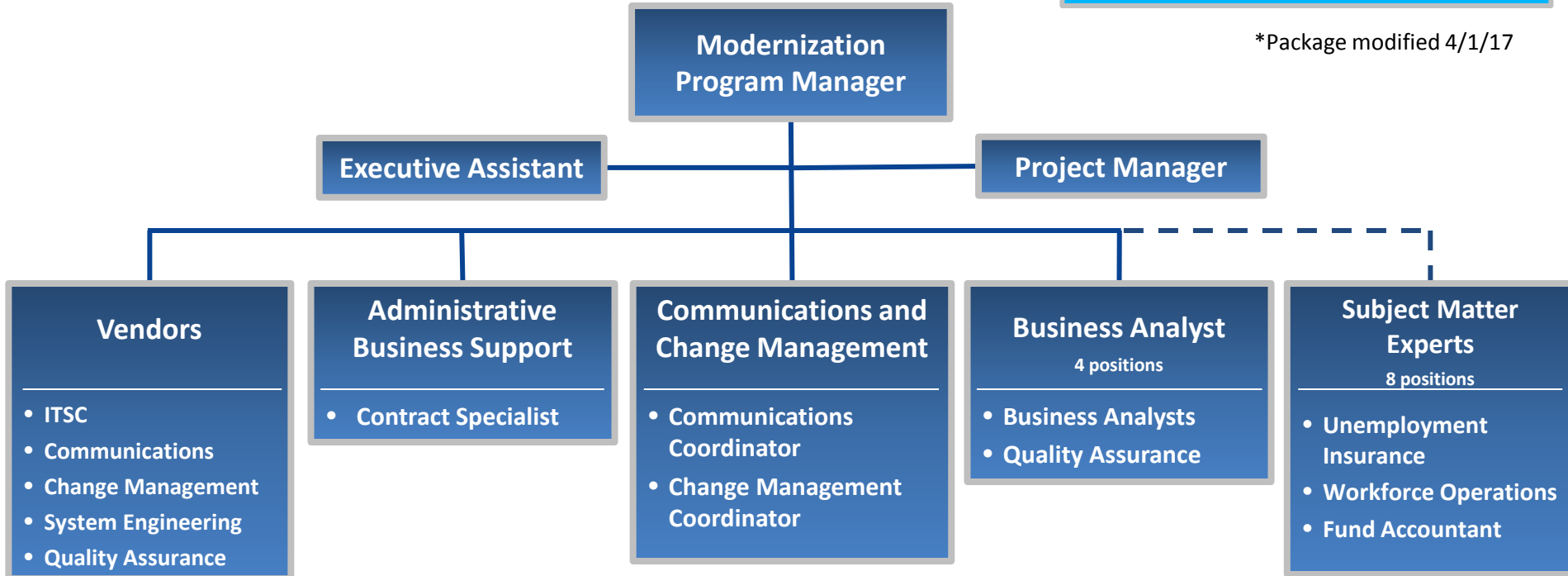
*Projection as of 4/1/17
Actuals through 1/31/17



2017-19 Modernization Package*

Positions: 18
Full-Time Equivalents: 13.95

*Package modified 4/1/17



Thank You

