



# Oregon Employment Department Modernization Update

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on Transportation and Economic Development



# Employment Department Overview

The mission of the Oregon Employment Department is to ***Support Business and Promote Employment***. We accomplish this by:

- Supporting economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits
- Serving businesses by recruiting and referring the best qualified applicants to jobs, and providing resources to diverse job seekers in support of their employment needs
- Developing and distributing quality workforce and economic information to promote informed decision-making



# Our Core Business

## In 2016:

- **Unemployment Insurance** collected wage records from approximately 140,000 employers and paid more than \$500 million in unemployment insurance benefits to 125,000 workers
- **Workforce Operations** provided employment services to approximately 180,000 job seekers, and assisted thousands of businesses in finding employees
- **Workforce and Economic Research** responded to 5,300 customer information requests; gave approximately 263 presentations with a total audience of more than 11,543; distributed over 425,000 reports and publications; and welcomed almost 500,000 visits to our QualityInfo.org website and 12,200 visits to our blog (OregonEmployment.Blogspot.com)



# Our Modernization Initiative

- Multi-biennia initiative that will be achieved through our **Modernization Program**, a series of related projects
- Transform business processes to take advantage of opportunities and benefits available through the capabilities of new technology systems
- Replace aging computer systems that support **receipt of unemployment insurance taxes, payment of benefits, and delivery of employment services**

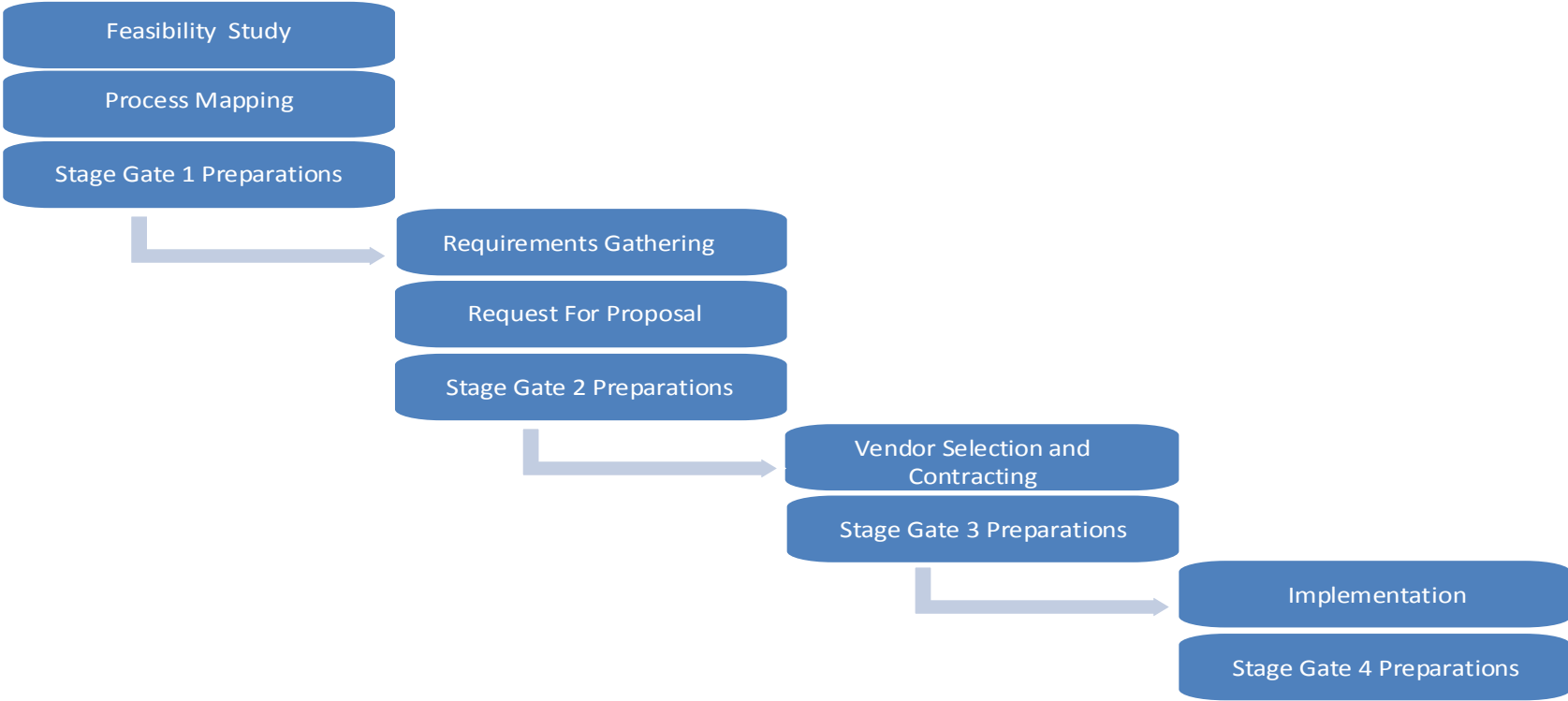


# Key Drivers – Why we need to modernize now

- **Sustain** delivery of secure and reliable services
  - As of May 2017, more than 41 percent of technical staff eligible to retire
  - Within 10 years, up to 56 percent are eligible to retire
- Provide **customers** with personalized and updated services
- **Adapt** to changing business, state and federal requirements
- Manage access and **share data securely** with our partners



# Modernization Program Steps and Stages



# Recent Accomplishments

- Modernization effort is on time, within budget, and within scope
- Received Stage Gate 1 endorsement
- Completed the contract for our feasibility study
- Feasibility study activities since April 2017 include
  - Gap analysis
  - Market solutions review
  - Reviewing contract deliverables
- Began data mapping and data cleaning
  - Chartered a data and systems inventory workgroup



# Received Stage Gate 1 Endorsement

- Modernization Business Case
- Information Resource Request
- Program Management Plan
- Modernization Governance Plan
- Modernization Steering Committee Charter
- Risk and Issue Management Plan
- Initial Risk Assessment





# Completed Feasibility Study Contract

## Goals

- Create strategic roadmap for modernization, identifying and incorporating department business needs
- Perform readiness assessment to identify our level of preparedness to initiate modernization, evaluating people, processes, data, and technology

## Approach

- Conduct series of assessments, that build upon each other, to provide information needed to determine path forward



# Feasibility Study: Gap Analysis

- 20 webinar demonstrations attended by over 100 Employment Department employees
  - Gather information about serving customers today and in future
  - Broaden perspective and better understand level of change needed to successfully modernize
  - Early and on-going employee engagement
- Conducted by other state workforce agencies and their vendors

California

Kentucky

Missouri

Tennessee

Connecticut

Michigan

New Mexico

Utah

Idaho

Mississippi

New York

Washington

Kansas



# Feasibility Study: Market Solutions Review

- Employment Department staff and vendors visited states to learn about modernization efforts
  - Review systems working well in other states
  - Lessons learned and best practices
- Visited six states
  - Idaho
  - Kentucky
  - Michigan
  - Mississippi
  - New Mexico
  - Tennessee



# Feasibility Study: Reviewing Contract Deliverables

- Challenged some early assumptions
  - No single solution available for unemployment insurance tax, benefits and employment services
  - A true “Commercial Off the Shelf” product does not exist for unemployment insurance tax and benefits
- Validated “If you’ve see one State, you’ve seen one State”
- Putting it all together
  - Define Program scope
  - Select approach and sequencing of systems replacement



# Early Key Learnings from Feasibility Study

- There are multiple development models for modernized systems
  - All modernized systems we observed were able to meet our high level business requirements identified during the feasibility study
- Data readiness is essential
  - We need to know what our data is and what it means
  - We need to know and understand how our data is used and shared
- Identified items we need to incorporate into our Modernization Program
  - Adequately staff projects – a dedicated team with the right skills and knowledge
  - Institute Organizational Change Management into projects to support employees
  - Plan for ongoing Maintenance and Support -- “Begin with the end in mind...and it never ends.”
  - Understand the timing and effort required to retire legacy systems



# Early Key Learnings from Feasibility Study *continued*

- Agency readiness assessed as excellent
  - Strong leadership, advocacy, and engagement from Executive Team, business, and IT
  - Organized, strong project management structure and team
- Proactive IT leadership and skilled technicians
  - Need for training and skills retooling
  - Need for additional staff and increased depth of knowledge
- Good overall awareness of complexity of modernizing systems
  - Continue to reach out to other states for lessons learned
  - Determine “must have” from “nice to have” capabilities
  - Compromise will be necessary



# Chartered a Data and Systems Inventory Workgroup

- Workgroup chartered to gather and document
  - Current systems
  - Data shared with other partners
- Lessons learned from other states during market research
  - Preparation and understanding of current data and computer systems is critical for modernization success
- Leveraging previous enterprise architecture work



# Next Steps

- Define scope, select approach and sequencing of projects
- Gather detailed requirements and develop request for proposal(s)
- Revise business case, prepare program and project(s) plans
- Continue data and system workgroup activities
- Begin developing change management strategy
- Continue work with OSCIO through its Enterprise Alignment Program
- Plan key messaging, communications, and outreach strategies
- Enhance engagement with our partners and stakeholders
- Continue to define modernization resource needs and create capacity
- Develop 2019-21 modernization budget
- Charter projects to carry out work and submit for Stage Gate 2





# Thank You

