Oregon
Kate Brown, Governor

Employment Department
875 Union Street NE
Salem, Oregon 97311
(503) 947-1394
TTY-TDD 711
www.Employment.Oregon.gov

January 12, 2018

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Nancy Nathanson, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301-4048

Dear Co-Chairpersons:

Nature of the Emergency/Request

The Oregon Employment Department respectfully submits this report on the progress of its Modernization Program as requested by the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development during the 2017 Legislative Session.

Background

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.

In 2016, we collected wage records from approximately 140,000 employers, paid more than $500 million in Unemployment Insurance benefits to 125,000 workers, provided employment services to approximately 180,000 job seekers, and assisted thousands of businesses in finding employees. Though we are currently in a period of relatively low unemployment, an increasing labor force and the certainty of an eventual economic (recessionary) cycle means the demand for our services will continue to grow.

As we look to the future and assess how we need to provide our core services, we recognize that we must be able to meet our customers' desire for personalized and updated services, and be flexible and adaptable to changing needs and requirements. There are opportunities to improve how we share data and interact with our partners. It is important that we can manage access

appropriately to protect data, ensure confidentiality, and respond to security threats. These improvements are constrained by our current tools and technology.

As is true for many state employment agencies across the country, and for many other Oregon state agencies, the Employment Department's computer systems were designed in the 1990s. Our core technology systems rely on a myriad of disparate, aging software applications and databases that are increasingly difficult and costly to maintain and modify.

For these reasons, the Employment Department is undertaking a significant multi-biennial effort to replace our current core systems with more modern technology and transform business processes so that we can better serve our customers – Oregonians and Oregon businesses. The primary drivers for modernization include:

- **Risk that we cannot sustain delivery of secure and reliable services**. First and foremost, we must ensure we can continue to deliver secure and reliable services. It is becoming increasingly difficult to recruit and retain staff with the skillsets needed to support our aging computer systems. As of May 2017, more than 41% of our technical staff that support our existing systems are eligible to retire immediately, and up to 56% are eligible within the next 10 years. Further, these systems are inflexible and do not allow us to easily adapt to changing business needs or customer desires.
- **Challenges to provide customers with personalized and updated services**. Our customers desire personalized and updated services, such as online self-service options and mobile technology. Additionally, our partners wish to interact and share data with us using modern and flexible technologies.
- **Constrained and inflexible systems that cannot adapt to changing business, state and federal requirements**. There are many opportunities to be more efficient in how we deliver our services. Our current systems constrain our ability to change our business processes, implement changes in state and federal requirements, resolve challenges, and automate or remove manual work. These improvements would allow us to be more efficient, reduce processing time, and improve accuracy of information.
- **Difficulties in managing access and sharing data securely with our partners**. Our existing systems were not designed with integrated security. Controlling security is complex and it is difficult to manage user access appropriately. Newer technology provides opportunities for improved security measures and would allow us to respond more nimbly to security threats and more easily manage access.

Replacing our core systems will provide positive gains to Oregonians and Oregon businesses, with both immediate and long-term benefits. Modernization will provide the critical technology foundation necessary for us to achieve our mission and realize our vision for the future.

The 2017 Legislature approved a budget of $4.7 million Other Funds expenditure limitation and 18 permanent positions for the department's modernization effort during the 2017-19 biennium. These resources will allow us to begin initial planning; conduct a feasibility study to identify high-level business requirements, perform market research, and develop a strategic plan; begin data mapping and data migration planning; develop and publish a request(s) for proposal; and begin the vendor evaluation and selection process.

The Legislature recommended the Department of Administrative Services unscheduled $2.8 million and one position pending a status report by the department during the 2018 Legislative Session, and favorable recommendations from the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) on readiness to proceed through the state's Stage Gate review process.

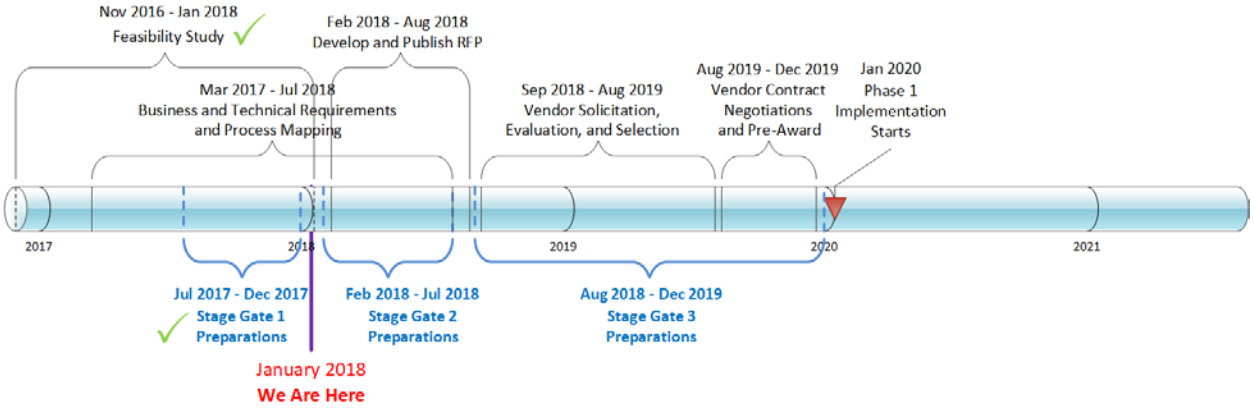
The Modernization Initiative is funded by Unemployment Insurance funds distributed by the U.S. Department of Labor in 2009, also known as modernization funds, which reside in the Unemployment Insurance Trust Fund. The U.S. Department of Labor has issued guidelines on how this money may be spent as authorized in Section 903(c)(2) of the Social Security Act and 20 CFR Parts 652 and 667, which includes use for application development and other technology that support employment service delivery.

Agency Action

In April 2017, the Employment Department provided information supporting the need to modernize the agency's outdated technology systems and business processes to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development. Included in the appendix to this report are key slides from the April 2017 presentation, an update to our actual and projected expenditures for Modernization, and the most recent completed status report. The Modernization activities described during our testimony are being managed according to plan. The progress made to date is described below.

Activities planned for fiscal year 2017:

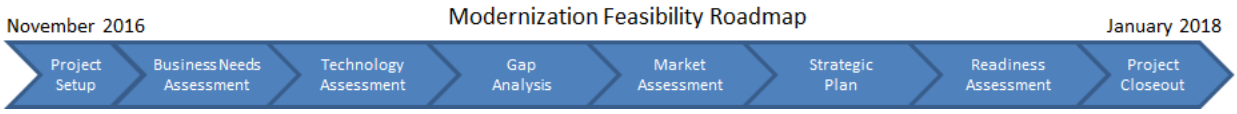
- Conduct a feasibility study;
- Hire key positions;
- Develop process maps; and
- Complete Stage Gate 1 initiation, including development and submission of all required documents, and request joint OSCIO/LFO Stage Gate 1 endorsement.



Feasibility Study

In November 2016, the Employment Department began the feasibility study, and contracted with the Information Technology Support Center (ITSC). ITSC is part of the National Association of State Workforce Agencies and affiliated with the U.S Department of Labor. ITSC has worked

with other states on their modernization efforts and is particularly knowledgeable about unemployment insurance models and practices nationwide, including costs, risks and schedules of modernization efforts.



Key deliverables from the feasibility study include:

- Current state analysis to understand the "as is" state and desired improvements;
- High-level business and functional requirements;
- Gap analysis to help identify the gap between what we have, what we want, and what's available;
- Market research, and alternatives analysis to determine which solutions already exist that could be best leveraged to fit our needs;
- Strategic plan for modernization outlining timelines and milestones, costs, and risks; and
- Readiness assessment identifying our level of preparedness to undertake this effort.

To inform the gap analysis, the modernization team and invited Employment Department employees attended webinar demonstrations of modernized employment services and unemployment insurance systems. These demonstrations were provided by other state workforce agencies and, in some instances, their vendors. Participation of employees from throughout the agency was very valuable to this process; we invited people whose work will need to be supported by any new system we might implement. To ensure adequate representation from department operational areas, we asked division leaders to identify participants from each business area to participate in the demonstrations. In all, we conducted 20 demonstrations, attended by approximately 117 employees throughout the state. The states who provided demonstrations were California, Connecticut, Idaho, Kansas, Kentucky, Michigan, Mississippi, Missouri, New Mexico, New York, Tennessee, Utah, and Washington.

The purpose of the demonstrations was to gather information about how to best serve our internal and external customers today and in the future, and encourage early employee engagement. The demonstrations helped expand our knowledge of the modernized solutions and functions that are already successfully being used to administer services and programs similar to our own. The outcome was a broadened perspective of possibilities for the future and a better appreciation of the level of change necessary to modernize our core business processes and systems. The information gathered during the demonstrations was also used to inform the selection of states to visit in person during the market solution assessment stage of the feasibility study.

As part of the market solutions assessment stage, an Employment Department team and ITSC members traveled to selected states to learn about their modernization efforts and conduct a review of their system functionality. These visits allowed us to gather information and further refine our understanding of the various types of systems that are already working well in other states, as well as gather lessons learned and best practices to consider for our modernization

effort. The six states visited were Idaho, Kentucky, Michigan, Mississippi, New Mexico, and Tennessee.

The Employment Department site visit travel team consisted of steering committee and subject matter expert representatives from functional areas throughout the agency, including Unemployment Insurance, Workforce Operations, Office of Workforce Investments, Administrative Business Services, Information Technology, and the Modernization Program. Members attended specific state visits depending on their area of expertise.

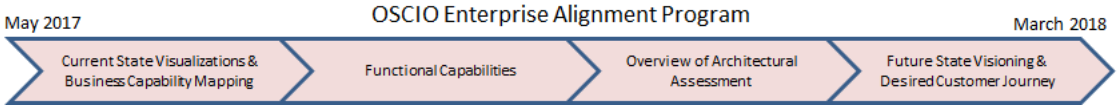
During the visits, every state noted a common lesson learned – preparation and understanding of current data and computer systems is critical for modernization success.

- We need to fully understand our data – where it comes from, what it means, how it is (and can be) used, how clean it is (quality), and who we share it with. Understanding the data that we share with our partners, inside and outside of the agency, will allow us to identify opportunities to improve how we manage, store, protect, and share that data in the future.
- We need to have a current inventory of our computer systems. As we identify the specific systems and applications that will be replaced, it's important to understand how our systems and applications interface, and connect with each other.
- These inventories will be essential documentation as we plan for modernization.

The feasibility study deliverables were completed in December 2017 and are currently being reviewed by the agency for acceptance. The knowledge gained during this effort provides the department with information to make the next set of decisions on the scope, implementation approach, expected benefits, and sequencing of business and technology system replacements supporting the agency's programs for unemployment insurance and employment services.

Engagement with the Office of the State Chief Information Officer

In May 2017, the Employment Department began work with the OSCIO through its Enterprise Alignment Program. During this effort, the agency developed visuals of current business processes, and "business canvases" that reflect key business goals and services, and the resources and partners needed to deliver these services. The agency will continue these efforts with the OSCIO in 2018 to identify our desired "future state" and architectural changes that must be made to achieve the desired outcomes. In addition to our regular communication about the status of modernization, the information created during these working sessions with the OSCIO will be shared and validated with agency employees, partners, and stakeholders in the near future. These discussions will help guide us through the early stages of modernization planning.



The work we've done with ITSC and the OSCIO – and subsequent participation from employees, partners and stakeholders – will be used to define scope and establish metrics supporting the Modernization Program's goals, objectives, and benefits.

Data and Systems Workgroup

The Employment Department's Modernization Steering Committee, established June 2016 (see appendix for Modernization Steering Committee organization), authorized formation of a Data and Systems Workgroup in September 2017. The purpose of this workgroup is to gather and document information about the agency's current systems and the data that is shared with agency partners. The workgroup will review existing enterprise architecture documentation and ensure agency data and systems inventories are updated with needed information. These inventories will be used as reference as the agency defines the scope and determines the stakeholder impacts for how data is shared.

Stage Gate 1 Endorsement Submission

During the Stage Gate1 initiation activities, the agency developed an initial Business Case and other foundational documents required for submission of OSCIO Stage Gate 1 endorsement. The following materials were submitted to the OSCIO on December 18, 2017:

- Modernization Business Case that describes the primary reasons to modernize;
- Information Resource Request that summarizes budget impact and proposed funding of the Modernization Program;
- Program Management Plan that describes the practices and processes that will be used to manage the Modernization Program;
- Modernization Governance Plan that identifies the individuals who have oversight and accountability for ensuring the Modernization Program is successful and expected outcomes are achieved;
- Modernization Steering Committee Charter that describes the purpose and responsibilities of the committee, as well as membership, voting practices, and meeting frequency;
- Risk and Issue Management Plan that describes how risks to successful delivery of the program will be identified, analyzed, and managed; and
- Initial Risk Assessment that identifies risks known at this stage of the program.

The Employment Department expects that multiple related projects will be needed to deliver the benefits of modernization. The projects will be carried out through the Modernization Program to ensure they are managed in a coordinated and efficient manner to deliver the agency's desired benefits.

The primary goals identified for the Modernization Program are to:

- **Enhance customer experience**. Deliver improved services, such as online self-service, automation, access to data, and integration with partners.

- **Transform business processes**. Leverage modern system capabilities to provide improvements and efficiencies in business processes, and new tools for our employees, and support more effective service delivery to our customers.

- **Improve security**. Improve our ability to anticipate and respond to security threats, and manage access.
- **Modernize technology**. Replace the agency's aging computer systems that support unemployment insurance taxes, payment of benefits, and delivery of employment services.

Next Steps

We have accomplished a lot in the eight months since our testimony during the 2017 Legislative session. And, the work authorized for the remainder of the biennium continues.

Activities planned through August 2018:

- Select solution approach and sequencing;
- Gather detailed requirements and define scope;
- Continue work with OSCIO through its Enterprise Alignment Program;
- Continue Data and Systems Workgroup activities;
- Plan key messaging, communications, and outreach strategies;
- Engage with our partners and stakeholders;
- Refine process maps;
- Hire additional staff to support further planning activities;
- Conduct a risk assessment and identify mitigation strategies;
- Develop key performance measures that define the outcomes and success of the program;
- Develop a roadmap and plan for delivery of program benefits;
- Refine the Business Case to reflect information gained during the feasibility study and program planning;
- Develop foundational program plans;
- Contract with an independent quality assurance vendor;
- Conduct quality control reviews of program planning documents and processes;
- Develop a Request for Proposal;
- Complete Stage Gate 2 planning and request OSCIO Stage Gate 2 endorsement; and
- Continue regular reporting.

Budget and Position Authority

The Employment Department has filled key positions for the Modernization Program: the program director (late November 2016), program manager (late July 2017), business analysts (January 2017), executive support (September 2017), change management coordinator (December 2017), and communications coordinator (January 2018).

Actual expenditures for the 2017-19 biennium-to-date through November 30, 2017 were approximately $500,000. Eight full-time program employees and one part-time subject matter expert (SME) have been hired.

Eighteen positions (13.95 FTE) and $4.6 million expenditure limitation was approved for the 2017-19 biennium. Pending favorable recommendations from the Department of Administrative

Services Chief Financial Office, OSCIO, and LFO, all eighteen positions are expected to be hired during the biennium and the full authorized budget of $4.6 million to be expended.

Action Requested
The Employment Department requests acknowledgement of receipt of this report on the status of its modernization efforts as requested by the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development during the 2017 Legislative Session.

Legislation Affected
None.

Sincerely,

Kay Erickson

Kay Erickson
Director
Oregon Employment Department

cc: Ken Rocco, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
George Naughton, DAS Chief Financial Office
Michelle Lisper, DAS Chief Financial Office

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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 Project Schedule	100%	February 10, 2017	Core Team, Steering Committee
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

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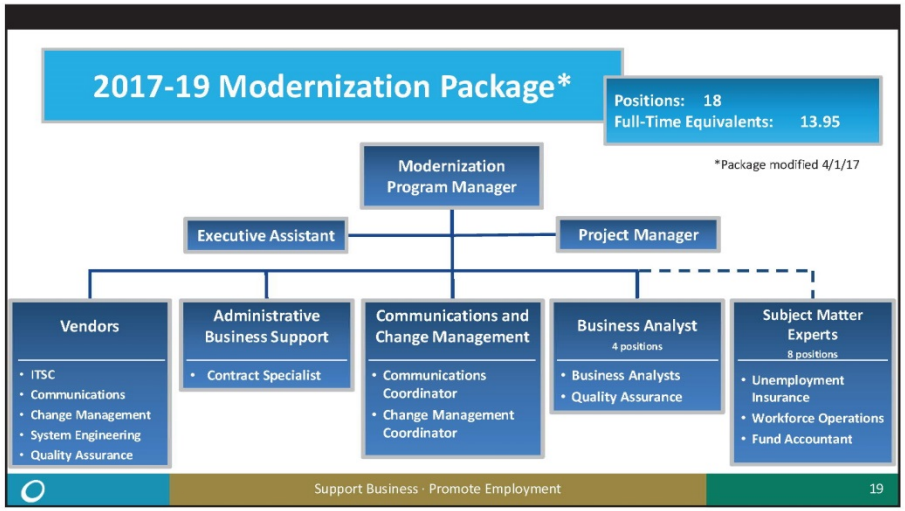
Modernization is a Multi-Biennia Effort

Biennium	Description	Total Limitation Requested	Actual + Projected Expenditures*	Unused Limitation
2015-17	Base budget	$ 986,633	$ 504,103	$ (482,530)
	Policy package 101	$ 3,046,026	$ 881,582	$ (2,164,444)
	Total	**$ 4,032,659**	**$ 1,385,685**	$ (2,646,974)
2017-19	Base budget	$ 419,972	$ 688,847	$ 268,875
	Policy package 101	$ 6,603,602	$ 4,682,314	$ (1,921,288)
	Total	**$ 7,023,574**	**$ 5,371,161**	$ (1,652,413)
2019-21	Base budget	$ TBD	$	$
	Policy package xxx	$ TBD	$	$
	Total	**$ TBD**	$	$
2021-23	Base budget	$ TBD	$	$
	Policy package xxx	$ TBD	$	$
	Total	**$ TBD**	$	$
	Cumulative Base Budget	$ 1,406,605	$ 1,192,950	$ (213,655)
	Cumulative Policy Packages	$ 9,649,628	$ 5,563,896	$ (4,085,732)
	Total through 2017-19	**$ 11,056,233**	**$ 6,756,846**	**$ (4,299,387)**

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

Support Business · Promote Employment 18


2017-19 Modernization Package*
Positions: 18
Full-Time Equivalents: 13.95
*Package modified 4/1/17
Modernization Program Manager
Executive Assistant
Project Manager
Vendors
• ITSC
• Communications
• Change Management
• System Engineering
• Quality Assurance
Administrative Business Support
• Contract Specialist
Communications and Change Management
• Communications Coordinator
• Change Management Coordinator
Business Analyst
4 positions
• Business Analysts
• Quality Assurance
Subject Matter Experts
8 positions
• Unemployment Insurance
• Workforce Operations
• Fund Accountant
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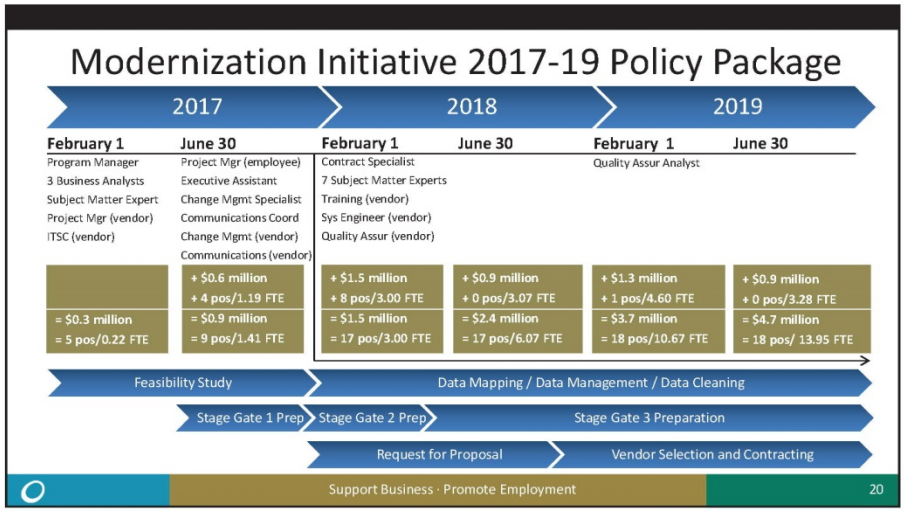
Modernization Initiative 2017-19 Policy Package
2017
2018
2019
February 1
Program Manager
3 Business Analysts
Subject Matter Expert
Project Mgr (vendor)
ITSC (vendor)
= $0.3 million
= 5 pos/0.22 FTE
June 30
Project Mgr (employee)
Executive Assistant
Change Mgmt Specialist
Communications Coord
Change Mgmt (vendor)
Communications (vendor)
+ $0.6 million
+ 4 pos/1.19 FTE
= $0.9 million
= 9 pos/1.41 FTE
February 1
Contract Specialist
7 Subject Matter Experts
Training (vendor)
Sys Engineer (vendor)
Quality Assur (vendor)
+ $1.5 million
+ 8 pos/3.00 FTE
= $1.5 million
= 17 pos/3.00 FTE
June 30
+ $0.9 million
+ 0 pos/3.07 FTE
= $2.4 million
= 17 pos/6.07 FTE
February 1
Quality Assur Analyst
+ $1.3 million
+ 1 pos/4.60 FTE
= $3.7 million
= 18 pos/10.67 FTE
June 30
+ $0.9 million
+ 0 pos/3.28 FTE
= $4.7 million
= 18 pos/ 13.95 FTE
Feasibility Study
Data Mapping / Data Management / Data Cleaning
Stage Gate 1 Prep
Stage Gate 2 Prep
Stage Gate 3 Preparation
Request for Proposal
Vendor Selection and Contracting
Support Business · Promote Employment
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Modernization Expenditure Summary
As of December 2017

Biennium	Description	Total Limitation Requested	Actual* + Projected** Expenditures	Unused Limitation
2015-17	Base budget	$ 986,633	$ 464,006	$ (522,627)
	Policy Package 101	$ 3,046,026	$ 937,721	$ (2,108,305)
	Total	**$ 4,032,659**	**$ 1,401,727**	**$ (2,630,932)**
2017-19	Base budget	$ 688,847	$ 688,847	$ 0
	Policy Package 101 (GB)	$ 4,682,314	$ 4,682,314	$ 0
	Total	**$ 5,371,161**	**$ 5,371,161**	**$ 0**
2019-21	Base budget	$ 0	$ 0	$ 0
	Policy Package xxx	$ 0	$ 0	$ 0
	Total	**$ 0**	**$ 0**	**$ 0**
2021-23	Base budget	$ 0	$ 0	$ 0
	Policy Package xxx	$ 0	$ 0	$ 0
	Total	**$ 0**	**$ 0**	**$ 0**
	Cumulative Base Budget	$ 1,675,480	$ 1,152,853	$ (522,627)
	Cumulative Policy Packages	$ 7,780,340	$ 5,620,035	$ (2,108,305)
	Total through 2017-19	**$ 9,403,820**	**$ 6,772,888**	**$ (2,630,932)**

Modernization Program Status Report
As of December 2017

State of Oregon
Employment Department

Monthly Status Report
December 2017

Modernization Program

Information	Overview
Project name: Modernization Program **Start date**: January 2016 | **End date**: TBD **Phase**: Program Definition & Program Initiation **Executive Sponsor**: Kay Erickson **Sponsor**: Renee Royston **Program Manager**: Jennifer Hannan	The Employment Department's Modernization Program is a multi-year initiative focused on transforming the agency's business and core technology systems. The agency will achieve this mission by replacing the aging computer systems that support receipt of Unemployment Insurance taxes, payment of Unemployment Insurance benefits, and delivery of employment services. Further, this effort will transform business processes to take advantage of opportunities and benefits available through new system capabilities.

Overall		Scope		Schedule		Budget		Resources	
On Track	=	N/A	=	On Track	↑	On Track	=	On Track	=

Highlights

Feasibility study with IT Support Center (ITSC):

- Completed travel to other states to conduct market research on possible approaches, considerations, and lessons learned. Between October and December, individuals from our Modernization Steering Committee, subject matter experts, and ITSC traveled to New Mexico, Michigan, Idaho, Kentucky, Mississippi, and Tennessee.
- Extended the ITSC contract through the end of January 2018 to allow additional time for agency staff to review documentation and provide input so that ITSC can finalize the remaining deliverables for the gap assessment, market assessment, strategic plan, and readiness assessment.

Program management:

- Finalized and submitted the Business Case and other foundational documents required for the Office of the State Chief Information Officer (OSCIO) Stage Gate 1 endorsement. Materials were submitted on December 18, 2017. We will continue to work with OSCIO during their review in January.
- Identified initial risks for inclusion in the program risk registry. Regular Risk and Issue Management Team meetings will begin in January.
- Hired our change management coordinator position.
- Completed recruitment for communications coordinator position. The selected individual will begin in January.
- Planned for upcoming change management interviews with 16 agency leaders. Interviews will be conducted in January and February to provide an overview of change management and survey to gain an initial understand of different areas within the agency.
- Re-scoped budget expenses to more appropriately match the projected monthly costs throughout the biennium.
- Drafted content for legislative status reporting in January, and presentations expected in February.

Workgroups:

- Continued efforts for the Data and Systems Workgroup. This workgroup is documenting our current systems, and data shared with our partners.

State of Oregon
Employment Department

Monthly Status Report
December 2017

Modernization Program

Activities and Deliverables

Activities and deliverables scheduled for December	Status	Activities and deliverables scheduled for January	Status
ITSC Task 4: Gap analysis (moved to January) *	95%	ITSC Task 4: Gap analysis (moved to January) *	95%
ITSC Task 5: Travel to MS (UI Benefits/Workforce Operations)	✓	ITSC Task 5: Review market options (moved to January) *	90%
ITSC Task 5: Travel to TN (UI Benefits/Workforce Operations)	✓	ITSC Task 6: Strategic plan (moved to January) *	90%
ITSC Task 5: Review market options (moved to January) *	90%	ITSC Task 7: Readiness assessment (moved to January) *	90%
ITSC Task 6: Strategic plan (moved to January) *	90%	ITSC Task 8: Feasibility close-out (moved to January) *	10%
ITSC Task 7: Readiness assessment (moved to January) *	90%	Finalize communications strategy v1 (moved to January)	20%
ITSC Task 8: Feasibility close-out (moved to January) *	10%	Draft program charter V1.0	
Finalize communications strategy V1.0 (moved to January)	20%	Draft staff management plan V1.0	
Draft materials for legislative reporting and testimony	✓	Conduct work breakdown for program initiation phase	
Finalize business case V1.0	✓	Plan outreach and communication to partners and stakeholders	
Finalize governance plan V1.0 (moved from October)	✓	Finalize and submit status letter to Joint Ways and Means	
Finalize steering committee charter	✓	Finalize materials for legislative reporting and testimony	
Finalize risk management plan V1.0	✓	Conduct initial change management leadership interviews	
Review program plans	✓	OSCIO review stage gate 1 submission	
Develop and finalize program management plan V1.0	✓	MS: Stage gate 1 complete	
Submit stage gate 1	✓	MS: Program definition phase complete	
Identify initial program risks (moved from November)	✓	OSCIO Future state visuals (moved – TBD 2018) **	
Recruit for communications coordinator (moved from September)	✓	OSCIO Functional mapping to future state (moved – TBD 2018) **	
		OSCIO Architecture (moved – TBD 2018) **	

* ITSC Tasks 4–8 have been moved to January per contract extension.

** The OSCIO work previously scheduled to complete by the end of December has been intentionally postponed. We expect this work will resume in early 2018 once we have engaged and shared our visioning work with employees and key partners.

State of Oregon
Employment Department

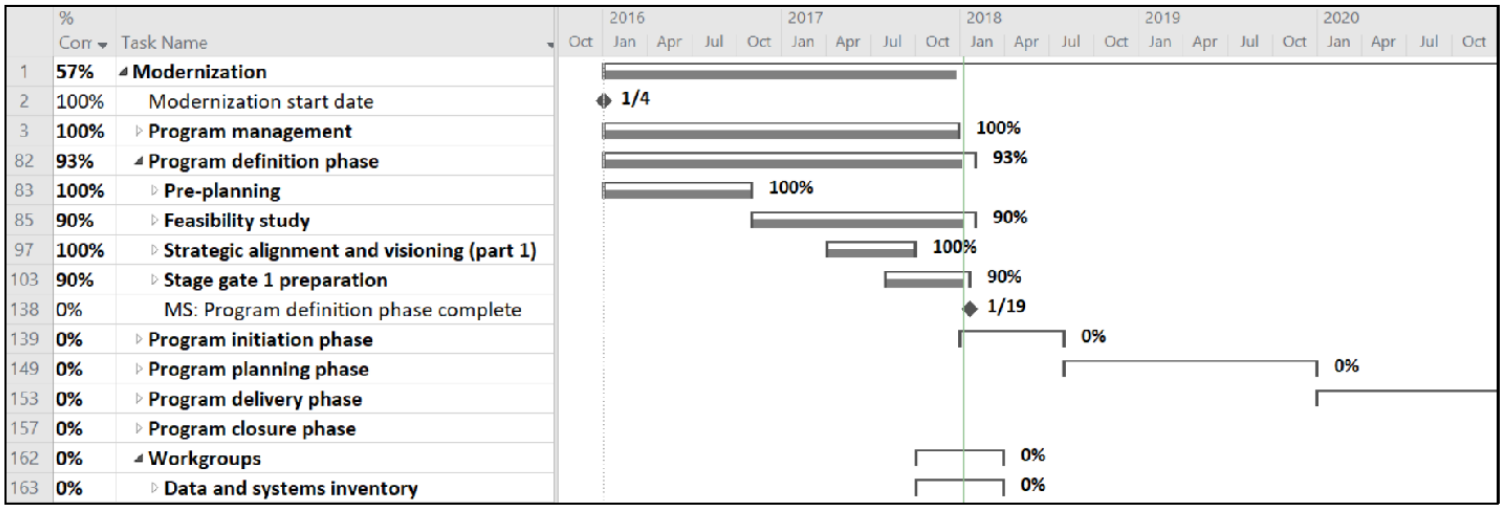
Monthly Status Report
December 2017

Modernization Program

Schedule Report

Schedule rating has been changed to green. Milestone for submission of Stage Gate 1 submission was met as planned. Contract extension was completed and remaining feasibility deliverable due dates have been moved to January 2018. Schedule activities in January through March will be focused on work breakdown and development of the schedule for the program initiation phase.

High-Level Schedule Summary



	% Com	Task Name
1	57%	**Modernization**
2	100%	Modernization start date
3	100%	**Program management**
82	93%	**Program definition phase**
83	100%	**Pre-planning**
85	90%	**Feasibility study**
97	100%	**Strategic alignment and visioning (part 1)**
103	90%	**Stage gate 1 preparation**
138	0%	MS: Program definition phase complete
139	0%	**Program initiation phase**
149	0%	**Program planning phase**
153	0%	**Program delivery phase**
157	0%	**Program closure phase**
162	0%	**Workgroups**
163	0%	**Data and systems inventory**

Scope Report

Scope has not yet been defined. Project scope reports will be prepared and distributed once scope has been developed and baselined.

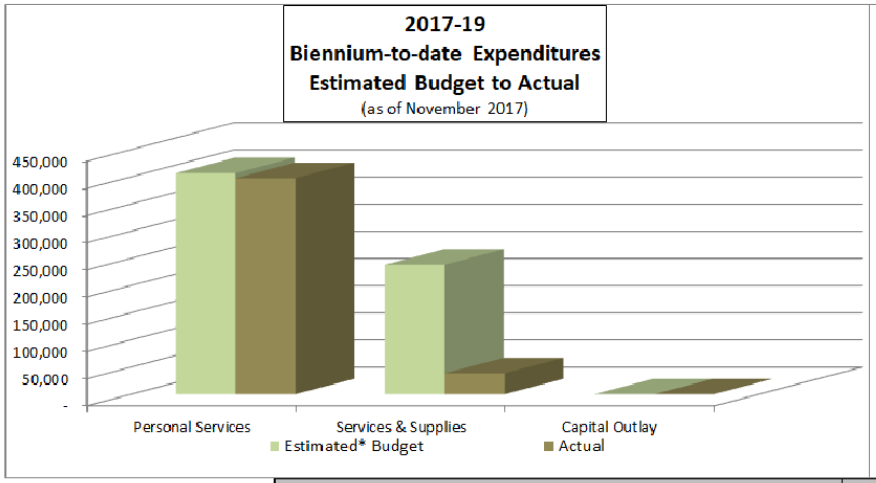
State of Oregon
Employment Department

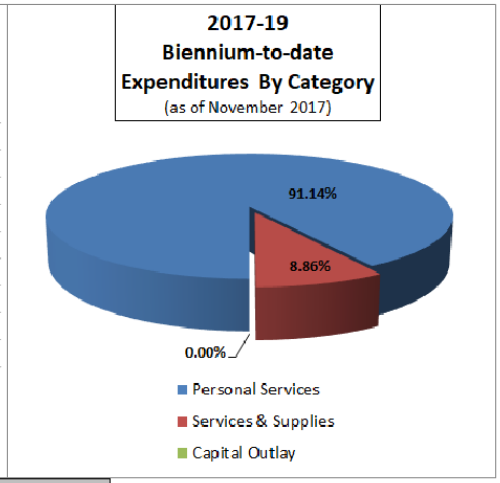
Monthly Status Report
December 2017

Modernization Program

Budget Report

The Modernization and Budget teams re-scoped the budget, including existing and potential future contracted resources, to more appropriately match the projected monthly costs throughout the biennium. The current budget spending plan assumptions have been adjusted to reflect the (high level) estimated program schedule. Program actual expenditures through November are under Legislatively Approved Budget. Services and Supplies (S&S) is under budget due to the timing of travel for out-of-state site visits. Travel occurred in October, November, and December. Expenses for employee site visit travel are still being received and processed. The re-scoped budget will be reviewed with the Modernization Steering Committee as part of the January budget report before finalizing.





	2017-19 Biennium-to-Date Expenditures					Project Life-to-Date
EXPENDITURE CATEGORY	Estimated Budget	Actuals	$ Variance Over/(Under)	% Variance	Remaining Budget	Actual
Personal Services	$ 406,778	$ 397,448	$ (9,329)	-2%	$ 2,675,099	$ 1,057,069
S&S	$ 238,379	$ 38,657	$ (199,723)	-84%	$ 2,259,957	$ 634,798
Capital Outlay	$ -	$ -	$ -		$ -	$ -
Total Modernization Initiative	$ 645,157	$ 436,105	$ (209,052)	-32%	$ 4,935,056	$ 1,691,867

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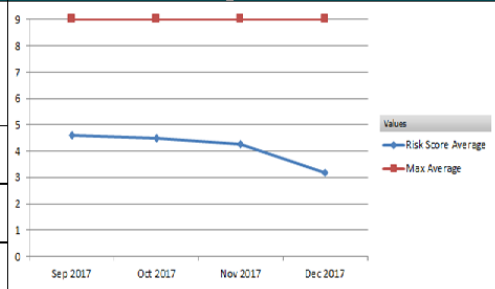
A more detailed budget report is prepared separately and accompanies distribution of this status report to the team, sponsors, and oversight entities.

Risk and Issue Reports

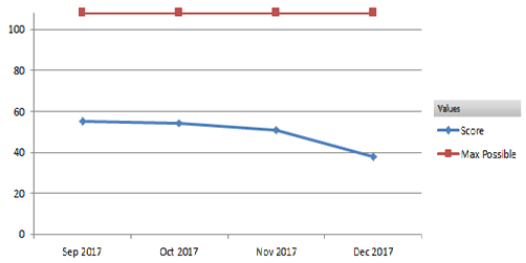
An initial risk assessment is underway, and proposed risks have been identified. The Modernization's risk and issue team will be initiated in January to review proposed risks and complete risk scoring and ownership. The risk registry will be updated to include new risks within the February status report.

Risk score	Last Month	This Month	Change
High (6-9)	5	2	-3
Medium (3-5)	4	4	0
Low (0-2)	3	6	+3
Total	12	12	0

Average Risk Score



Total Risk Index



There are no issues reported at this time.

Detailed risk and issue reports are prepared separately and accompany distribution of this status report to the team, sponsors, and oversight entities.

Emerging Concerns, Needs, or Impacts

There are no concerns, needs, or impacts to include at this.

Change Control Report

Baselines and change control processes have not yet been developed. Once these have been established, any change requests will be reported here.

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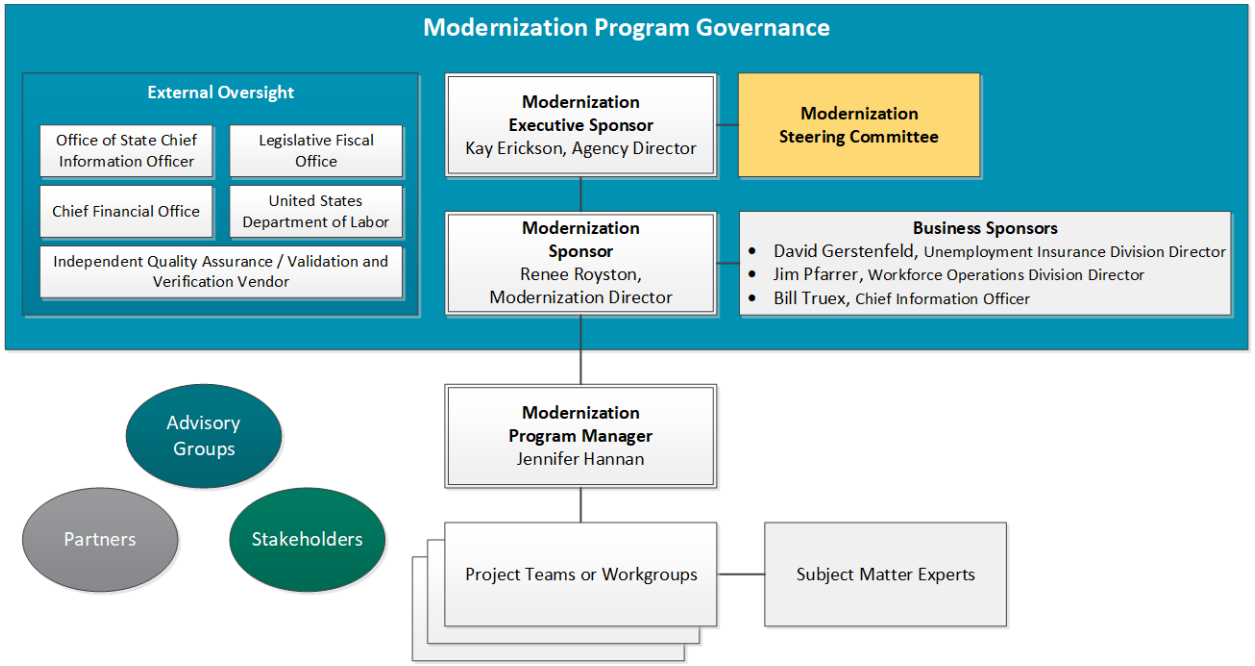
Report Distribution

Jason Barbee	David Gerstenfeld	Renee Royston	Bill Truex	Michelle Lisper, CFO Analyst
Julie Boston	Jennifer Hannan	Graham Slater	Bob Uhlenkott	Sean McSpaden, LFO Analyst
Kay Erickson	Karen Humelbaugh	Mike Smith	David Yamaka	Michelle Deister, LFO Analyst
Annalise Famiglietti	Kristin Kahler Jones	Kurt Tackman	Jared Choc, OSCIO STO	Modernization Team
Andrea Fogue	Jim Pfarrer	Sharon Tietsort	Jim Klopfer, OSCIO Analyst	

Modernization Steering Committee Organization

Figure 1 – Modernization Program Governance Structure



Membership

The Committee is comprised of voting and non-voting members. Voting members are individuals representing agency executive and operational leadership. Non-voting members are individuals representing oversight bodies, key agency partners or stakeholders, and Modernization Team staff. The Modernization Sponsor acts as the Committee Chair.

Voting membership:

Name	Title | Role
Kay Erickson	Employment Department Director | Modernization Executive Sponsor
Graham Slater	Employment Department Deputy Director
Renee Royston	Modernization Director | Modernization Sponsor | Committee Chair

David Gerstenfeld	Unemployment Insurance Division Director | Business Sponsor
Jason Barbee	Unemployment Insurance Operations and Program Support Unit Manager
Jim Pfarrer	Workforce Operations Division Director | Business Sponsor
Kristin Kahler Jones	Workforce Operations Division Deputy Director
Karen Humelbaugh	Director of the Office of Workforce Investments, Higher Education Coordinating Commission
Bob Uhlenkott	Workforce and Economic Research Division Director
Bill Truex	Chief Information Officer | Business Sponsor
Andrea Fogue	Legislative and Public Affairs Manager
Michael Smith	Chief Financial Officer
Sharon Tietsort	Human Resources Manager

Non-voting membership:

Name	Title | Role
To Be Determined	Modernization Executive Assistant | Scribe
Julie Boston	Budget Manager
Jared Choc	Office of the State Chief Information Officer, Strategic Technology Officer
Annalise Famiglietti	Deputy Chief Information Officer
Jennifer Hannan	Modernization Program Manager
Kurt Tackman	Core Programs and Initiatives Manager, Office of Workforce Investments, Higher Education Coordinating Commission
Dave Yamaka	Research Systems and Surveys Manager

Meetings

Frequency

The Committee meets twice a month on the first and third Thursdays. Additional meetings are scheduled as needed.