Department of Administrative Services

JOINT COMMITTEE ON WAYS AND MEANS

GENERAL GOVERNMENT SUBCOMMITTEE – APRIL 29, 2019

2019 LEGISLATIVE SESSION

2018 Compensation Study Findings

- Includes:
  - 413 Executive Branch job classifications
  - Over 26,600 of the State of Oregon's roughly 35,000 employees

- Does not include:
  - Strike-prohibited bargaining units
  - Legislative and Judicial Branches
  - Oregon Lottery
  - Oregon Public Universities
  - Other public entities exempted by statute

- State required by Executive Order 17-08 to be a market employer
  - Employees compensated, on average, between 95%-105% of similarly situated employees in comparable markets

2018 Compensation Study Findings

- County markets
  - Seven Oregon counties – Washington, Clackamas, Multnomah, Marion, Lane, Deschutes, and Jackson

- Private sector employers
  - Three salary and benefit surveys – Milliman, Willis Towers Watson, and CompAnalyst

- State market comparison
  - Four neighboring states - Washington, California, Nevada, and Idaho

- Provide salary and benefit (including retirement) including comparisons.

2018 Compensation Study Findings

Market By Segment	
Salary and Benefits	
	Employee Average
Overall	97.5%
County Market	93.1%
Private Market	98.0%
State Market Comps	101.8%

Challenges for our workforce…

- Living in a paper world at a time when dependability on technology is the norm.
- Employee development of new talent is becoming increasingly important with 24% of employees eligible to retire in the next five years.
- Compensation and benefits – in some cases – may not be as attractive as those offered by the private sector.
- Agencies need increased support with personnel matters.

Workforce solutions

1. Reshape recruiting
   - Modernize job descriptions
   - Develop people
   - Build the brand

2. Transform employee experience
   - Streamline the search
   - Improve experience through automation
   - Modernize job evaluations
   - Get serious about succession planning

Workforce solutions – POP 101

Workday program maintenance - $2.2M, 10 positions

In February 2019, the Department of Administrative Services (DAS), Chief Human Resource Office (CHRO) implemented the new human resource information system, Workday.

- Overdue integration of human resource processes from recruitment to compensation to position budget and planning.

- Enterprise-wide data.

- Allows for on-going data tracking and reporting for critical decision-making.

Workforce solutions – POP 102

Learning Management Module - $4.9M, 11 positions

In connection with Workday, a new learning management module will provide the ability to facilitate mandatory statewide training and the ability to report on workforce development.

Workforce solutions – POP 113

Additional Classification and Compensation Staff - $1.2M, 5 positions

- Pay equity implementation

- Evaluating the market in relation to recruitment/retention

- Bargaining support, compensation proposals, and maintaining integrity of the classification system

Workforce solutions – POP 103

Strengthen training practices - $792,818, 2 positions

- DAS tasked with implementing Executive Order 17-08 to strengthen public employee training practices

- Harassment and discrimination prevention training

- Respectful workplace training

Workforce solutions – POP 104

Personnel investigation support - $430,166, 2 positions

Agencies increasingly reach out to DAS CHRO for assistance with personnel and human resource matters.

Legacy IT Systems Modernization

- Implemented Workday

- Payroll & timekeeping:
  - Planning in 2019.
  - Project execution begins in 2020.
  - Full implementation in 2021-23 biennium.
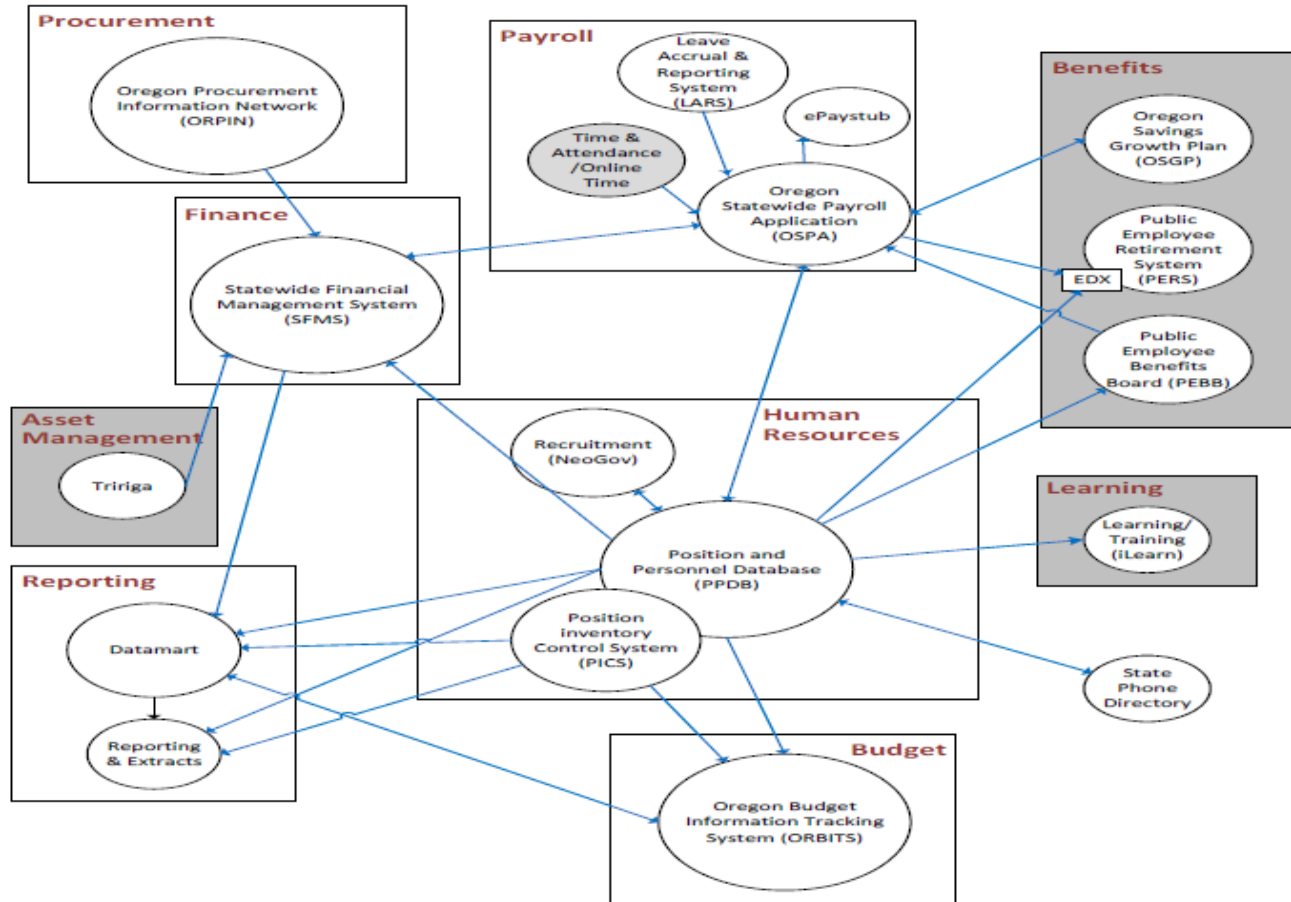
KPMG Recommendations
Legacy Systems Roadmap – POP 106

Using industry knowledge of best practices, other state's experiences, market research and enterprise interviews, KPMG confirmed the human resource information system (HRIS) as the best system to replace in phase one and developed a recommended roadmap.
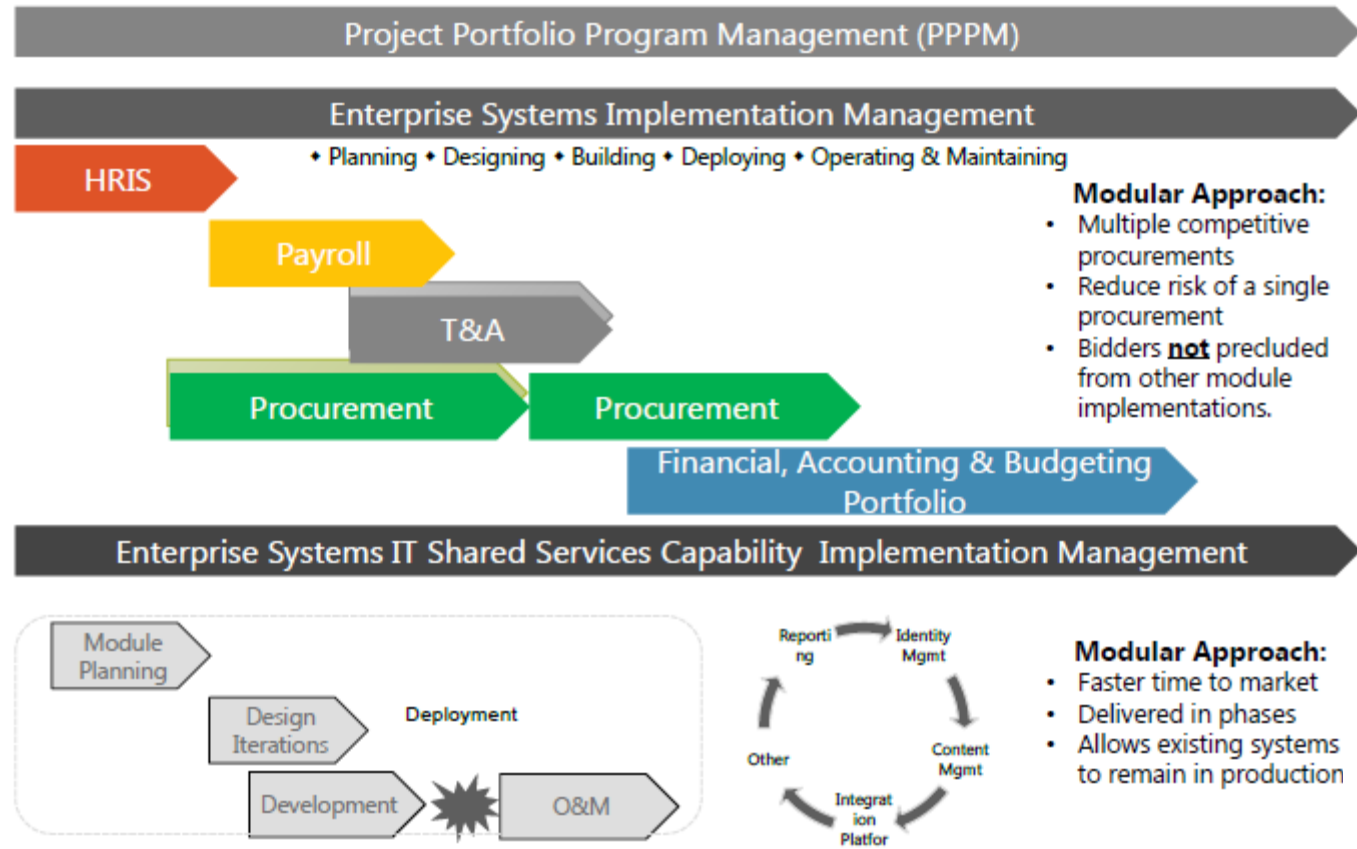
Enterprise Resource Planning

Current State

Enterprise Resource Planning

- Enterprise landscape is less diverse.

- Less interfaces to maintain.

- Functionality is better integrated.

- Modern systems better meet business needs.

- More functionality provided – reduces need for agency one-offs.

- All state data available for reporting in one place.

- Software as a Service (SaaS) solutions are regularly updated and stay current.
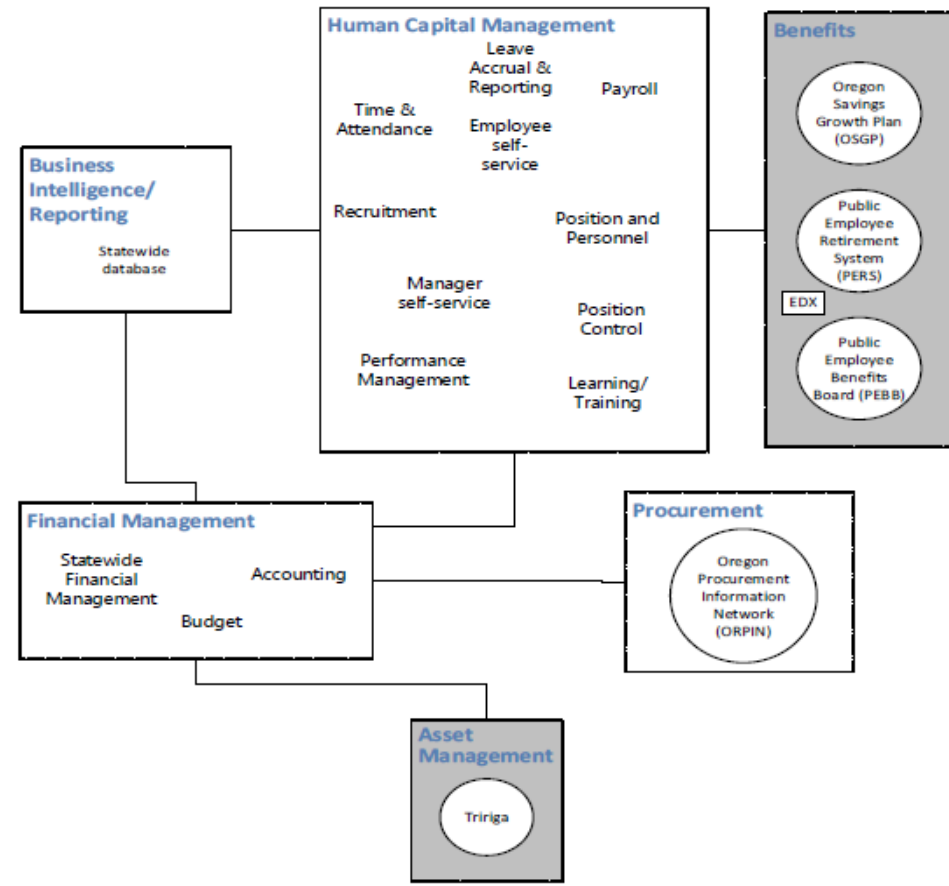
Future State

Current Payroll System


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PO30    OR2400014,73000,1,999999        JOB STATUS DATA              01/07/19  HRQA
        MARKET, WILLIE

   *** JOB STATUS INFO ***                      *** CONCURRENT JOB INFO ***
 JOB STAT START/STOP     121018/999999        REPORT DISTR CD           091
 PERS AGY/POS/SC         73000/0081680/0       RECOG SVC DT              121018
 PT-FT CD/PCT            F/1.0000              SALARY ELIG DT            010120
 APPOINTMENT TYP DT/CD   121018/P             STANDARD HRS PER DAY 8.000
 EMP REPR/CLS/OPT/STEP   OAO /C2446 /A/A/02    MASS TRANSIT DIST         S
                                               TIMESHEET CD             N
 BENEFIT PKG CD          01                    AUTH NO                  000435350
 LEAVE ACCRUAL SVC CD    1                     EMPLOYEE ID
 PERS JOB CLASS CODE     G                     DOB                      111179
 CREW-UNIT               9905
 WAGE BASIS CD           S
 PERSONNEL BASE RATE      2696.00        ---FUND SPLITS---    -FIXED MLY DIFFS--
 ADJUSTED BASE            2696.00      LABOR COSTING  PCT     PAY    PCT/    PCT/
 PERSONNEL PAY RATE       2696.00                            TYPE   AMT     AMT
 EQUIVALENT RATE            15.55                            CD
 HOLIDAY PKG CD          O              4IN0914  000   1.0000
 LOA BEG DT/CD/END
 SEPARATION DT/REASON
 O-T/FLSA CD             Y/N
 TRAN DT                 121118
Te SSL                                            R  1 C  9  ET63A105
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Alternatives Considered

Alternative	Project Duration (Procurement to Post Go-Live)	Cost to Build	Total Lifecycle Cost for Ten-Year Period
Alternative 1: Extend Workday	21 months	$24.7 million	$55.0 million
Alternative 2: Implement Oracle PeopleSoft	27 months	$22.8 million	$60.8 million
Alternative 3: Implement Other Cloud Solution	27 months	$30.6 million	$62.1 million
Alternative 4: Do Nothing & Accept More Risk	N/A	N/A	$20.2 million

Modern HRIS (& Payroll!) Technology
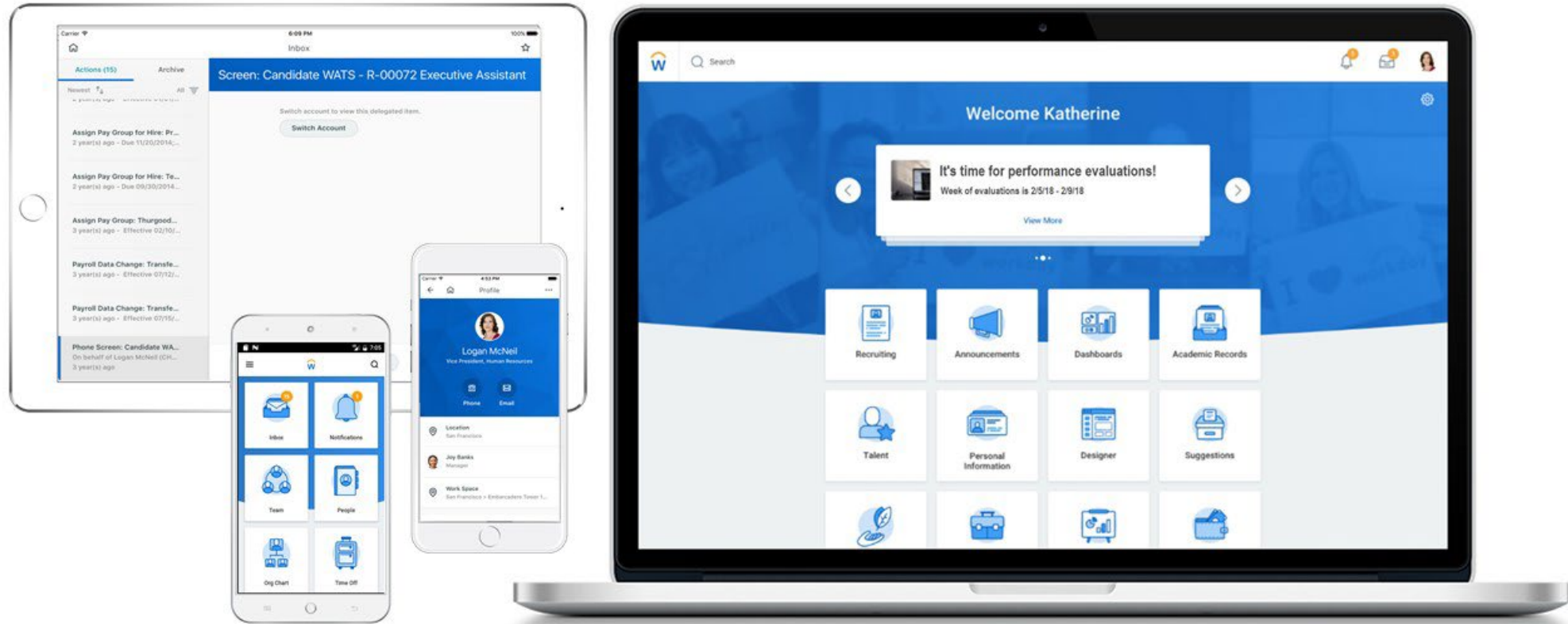
Package 106
Planning & Integration Resources for OSPS

- **Chief Operating Office – DAS IT**
  - Independent Project Management and Application Delivery Study – $1M, 0 positions
    - Prepare for DAS IT to support implementation.
    - Prepare for future modernization projects.
    - Prepare for future legacy system replacement, such as financial systems.

- **Chief Human Resource Office**
  - Workday/OSPS Interface - $0.75M, 2 positions

- **Enterprise Goods and Services**
  - Oregon Payroll System Replacement - $13.8M, 21 positions
    - First fiscal year – requirements gathering & validation; fit/gap analysis; agency outreach; and, third-party study.
    - Second fiscal year – project moves into full gear with 2021-23 implementation goal.