



**Joint Committee on
Information Management and Technology
Modernization Program and
Unemployment Insurance Project Update**

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May 7, 2019



Our Core Programs

Unemployment Insurance

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits

Workforce Operations (WorkSource Oregon Centers)

- Serve businesses by recruiting and referring the best qualified applicants to jobs
- Provide resources to diverse job seekers in support of their employment needs

Workforce and Economic Research

- Develop and distribute quality workforce and economic information to promote informed decision making



Major Project 2017-19

Modernization Program

Issue: The department's core computer systems were designed in the 1990 – they rely on a myriad of disparate, aging applications and databases, creating incremental technical debt over time

Project: Transform our core business and technology systems – unemployment insurance and employment services – improving our ability to achieve our mission to *Support Business and Promote Employment*

Timeline and Cost: Estimated \$3.6 million in 2017-19; Governor's budget includes ongoing funding of \$13.7 million for 2019-21; estimated completion date for all projects 2025

Status: Received Stage 2 endorsement February 2019



Modernization Program Overview

- Modernization Program is a **multi-year initiative** focused on **transforming the agency's business processes and core technology systems**
- Replace computer systems supporting receipt of **unemployment insurance taxes**, payment of **unemployment insurance benefits**, and delivery of **employment services**
- Business processes will be transformed to take advantage of **new system capabilities**



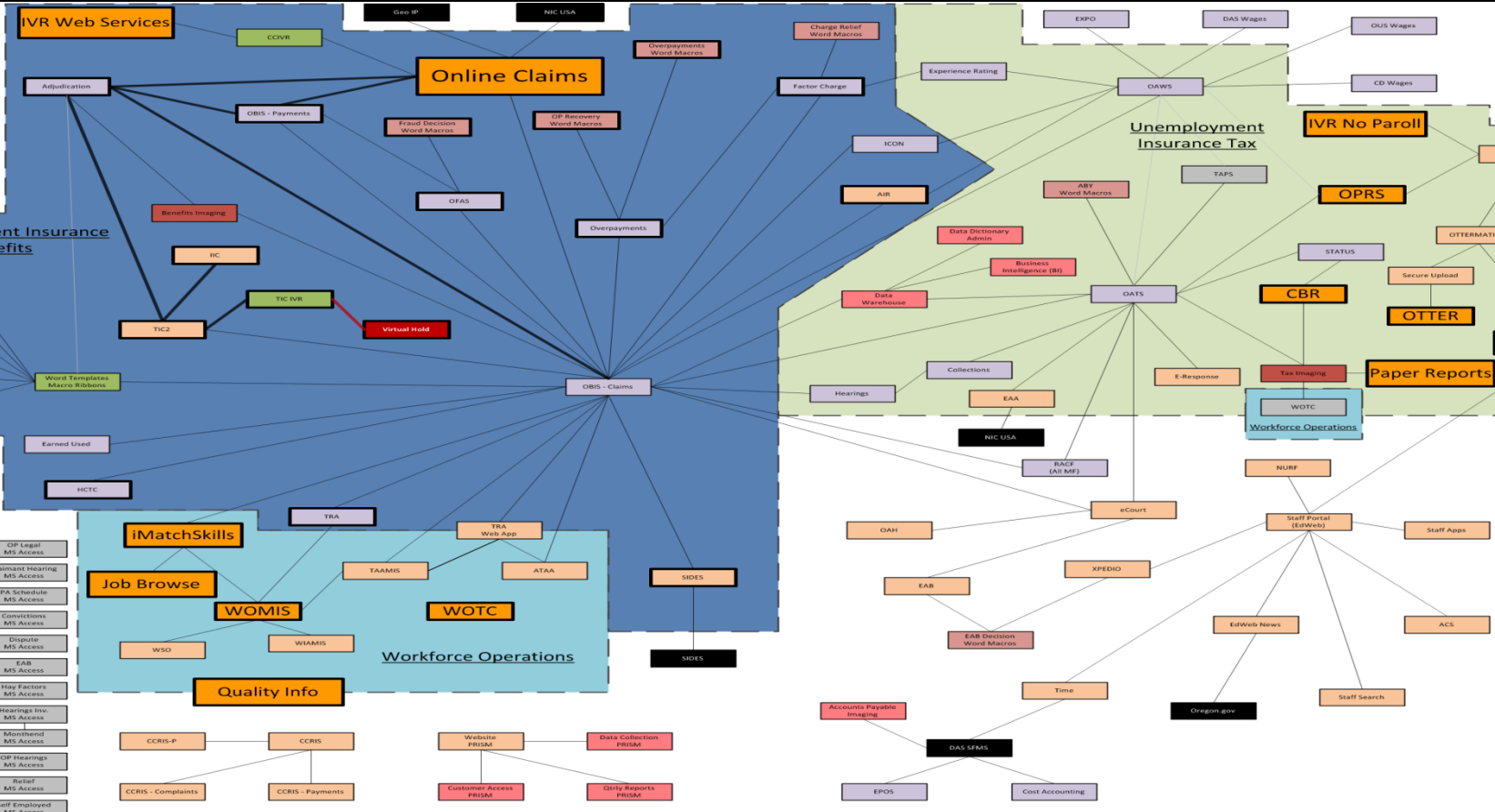
- DPTS
- Esor
- ASIST GT
- ECRO
- LAUS

- SBS
- Robobridge
- RunBooks
- ARL
- Big Files

- ### Unemployment Insurance Benefits
- Adj. NonMonetary Word Macros
 - Adj. Monetary Word Macros
 - Records & Retels Word Macros
 - Adjudication Word Macros
 - Letters & Forms Word Macros
 - Extensions Word Macros
 - Word Templates Macro Routines

- Central Office Info- MS Access
- Court Info for Adj- MS Access
- Interpreters - Admin- MS Access
- Contracts- MS Access
- CRC- MS Access
- DMV- MS Access
- FD Info- MS Access
- Hear Log- MS Access
- EDRC- MS Access
- OED Interpreters- MS Access
- Personnel- MS Access
- School- MS Access
- TUI- MS Access
- OP Legal- MS Access
- Claimant Hearing- MS Access
- PA Schedule- MS Access
- Convictions- MS Access
- Dispute- MS Access
- EAR- MS Access
- Hav Factors- MS Access
- Hearings Inv.- MS Access
- Monthend- MS Access
- OP Hearings- MS Access
- Relief- MS Access
- Self Employed- MS Access
- WOTC- MS Access

- Trend Micro
- E-Mail Archive
- Exchange
- KBBox
- Proof Point
- Symantec
- Symposium
- Unity
- VMWare
- WASP
- Acronis
- Hallstorm
- Nessus
- MARC
- NMAP
- Active Directory
- UCEE
- CVP



Legend:
 ● Customer Interface
 ● Mainframe
 ● Word Templates
 ● Web Applications
 ● Technical Support
 ● Imaging
 ● MS Access DB
 ● Misc.
 ● Outside App.

We Must Modernize to Improve Performance and Security

- Age of systems + modifications over time → complexity of interdependencies = challenging computing environment
- Modifications and maintenance are increasingly more difficult and costly
- Disparate systems using different platforms and languages are not compatible
- Institutional knowledge loss is increasing overall risk to our systems
- Known security risks and increasing cyber attacks



Modernization Program Goals

Enhance customer
experience

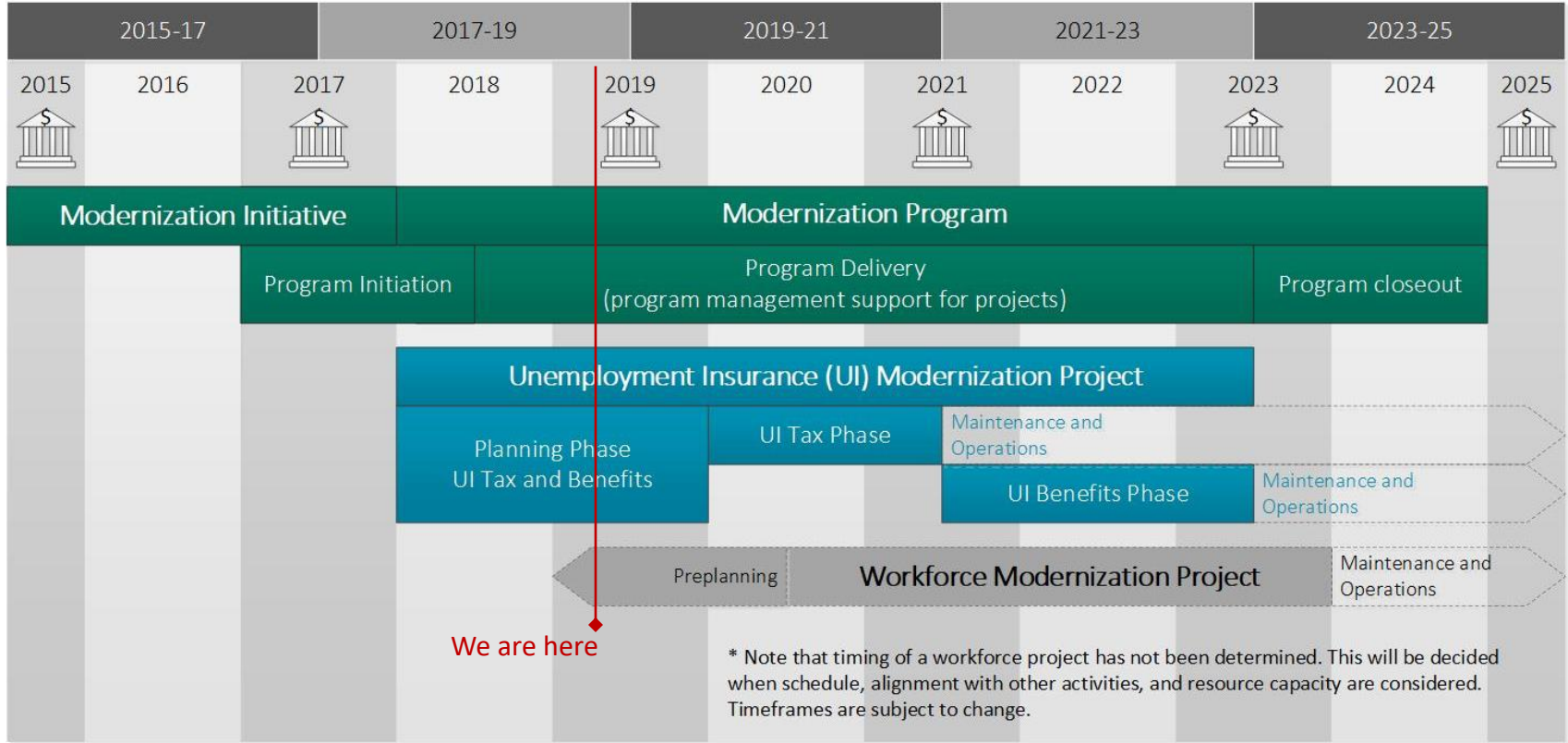
Transform business
processes

Improve security

Modernize technology



Modernization Program Timeline



Revised: 12/2018

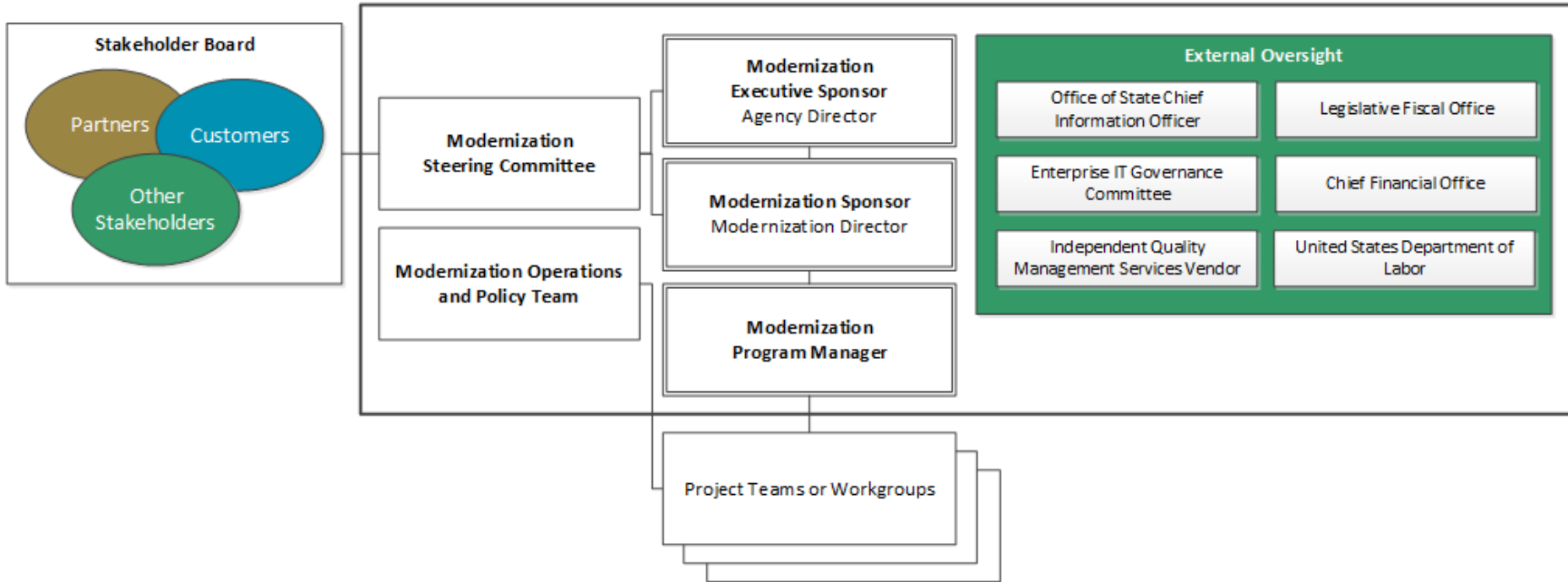


2017-19 Modernization Program Accomplishments

- Completed feasibility study **January 2018**
- Received Stage Gate 1 endorsement for overall Modernization Program **January 2018**
- Initiated the Unemployment Insurance project **April 2018**
- Submitted for Stage Gate 2 endorsement for UI project **December 2018**
- Received Stage 2 endorsement **February 2019**
- Workforce Project Request for Information **March 2019**



Modernization Program Governance



Revised: 2/1/2019



First Project Underway – Unemployment Insurance

- Unemployment insurance systems contain **oldest** components, with some dating back to 1985
- As of 2018, almost 40% of department technical staff are **eligible to retire**
- Many of the Unemployment Insurance Tax processes are manual and **inefficient**
- Extremely **limited** self-service options for our customers



First Project Underway – Unemployment Insurance

- Unemployment program collects **revenues** in support of unemployed workers and agency services
- Essential to our good **stewardship** of the Unemployment Insurance Trust Fund on behalf of Oregon employers and the federal government
- **Data** collected by Unemployment Insurance Tax is the foundation for agency core business operations and key partners



Unemployment Insurance Project Scope

- **Implement** vendor solutions that deliver unemployment insurance tax and benefits, and support employment services
- **Configure or enhance** vendor solutions to meet the agency's detailed business requirements
- Revise high-level **business process documentation** that reflects industry best practices provided by the vendor and existing user community
- **Knowledge transfer** and technical documentation to support the new systems



Unemployment Insurance Project Scope

UI Modernization Project Scope Measures

| | |
|-------------------------------|---|
| Legacy systems to be replaced | 31 systems |
| Legacy systems impacted | 48 systems |
| External data transfers | 128 total (126 data transfers 2 interfaces) |
| Internal data transfers | 234 total |
| External system accesses | 58 access points, 24 stakeholders |
| Mandatory reports | 113 (66 state and federal reports 47 financial reports) |
| Business requirements | <i>In progress</i> |
| Technical requirements | <i>In progress</i> |



Next Steps 2017-19

- On schedule and under budget **April 2019 Project status -> yellow**
- Procure independent quality management services (iQMS) vendor **March – April 2019**
- Request for proposal for Unemployment Insurance solution **May 2019**
- Hiring **February – November 2019**
- Facilities preparation for new employees **February – June 2019**
- IT Readiness **May 2019**



Modernization Program

Total Positions: 55*

*Includes Policy Package 101

Key Partners and Stakeholders

Steering Committee

Federal, State, and External Oversight

Vendors

- Solution vendors(s)
- iQMS/IV&V vendor
- Change management
- Technical professional services

Expanded UI Project Team

- Operational staff providing subject matter expertise, testing, training, and other functions

Core Program Team

- Program leadership, management, operational support
- Project management, scheduling, task management
- Technical leadership, IT liaison, management, and support
- Business analysis on system requirement, configuration, and development
- Human resources, budget, contract administration, and support

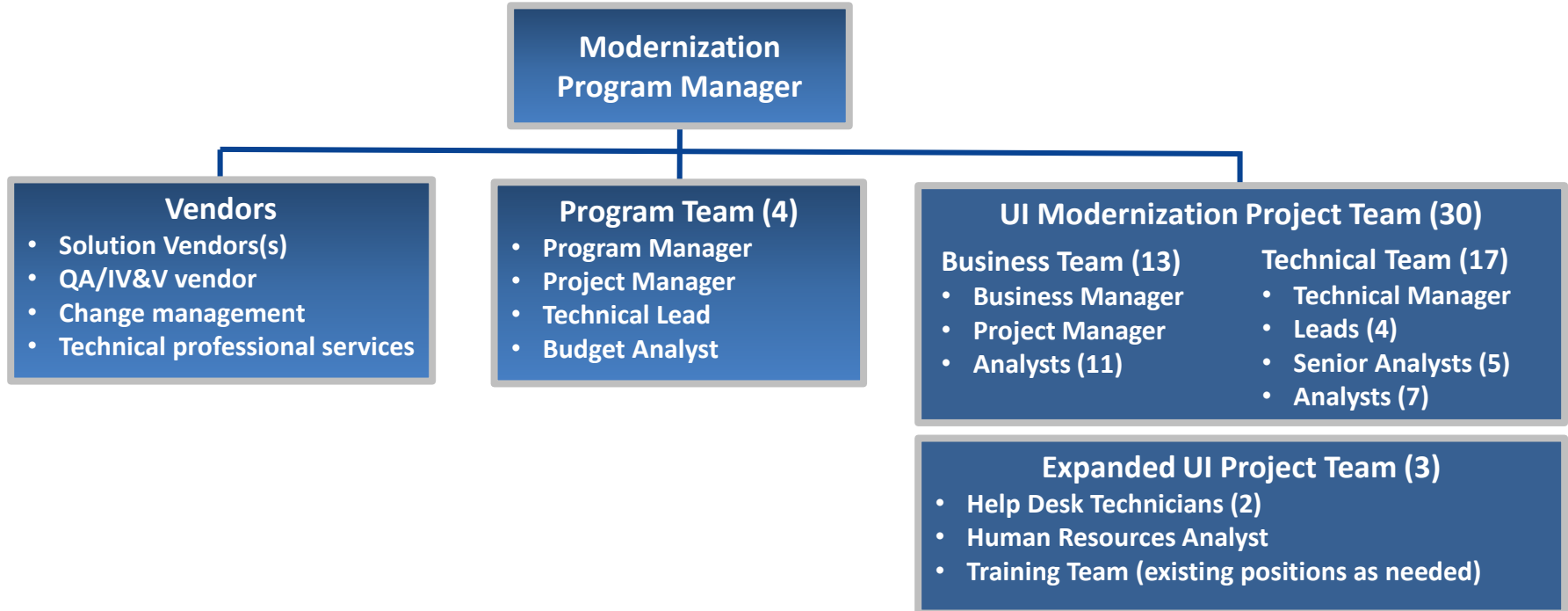
UI Modernization Project Team

- Business management and operational support
- Project management, scheduling, task management
- Technical management and operational support
- Lead and coordinate data development, configuration, conversion, and interfaces
- Business and technical analysis on documents, designs, and processes
- System and user training



2019-21 Modernization Package 101

Positions: 37



Priorities for 2019-21

- **Request For Proposal** execution
 - Select vendor
 - Contract negotiations
- **Hire and onboard** Unemployment Insurance project staff
- **Submit** for Stage Gate 3
- **Begin** Unemployment Insurance project implementation
- **Pre-planning** for the Workforce project



Modernization is a Multi-Biennia Effort

Unemployment Insurance Project 2017-2023

Estimated Total Costs for Program Staff, Project Staff, and Vendor*

| | |
|--|-----------------------------------|
| Implement UI Tax and Benefits solution | \$80 - \$123 million |
| Annual vendor software maintenance and support | \$3 - \$6 million |
| Other ongoing operating costs | <i>Pending solution selection</i> |

****Cost estimates represent what is known as of January 2019 and will be adjusted as we learn more from our 2019 Request for Proposal.***



Thank You

