

Analysis  
**Employment Department**  
IT Risk Assessment Report

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**Analyst:** Michelle Deister

**Request:** Acknowledge receipt of a report from the Oregon Employment Department regarding the agency's ability to successfully plan, manage and implement simultaneous information technology solutions for Unemployment Insurance Modernization and the Paid Family Medical Leave Insurance program.

**Analysis:** The Employment Department was directed to conduct a risk assessment of its capacity to plan, manage and implement multiple information technology projects simultaneously, and to report back the Legislature on risk assessment findings and potential strategies to meet objectives of both the Paid Family Medical Leave Insurance system and the Unemployment Insurance System modernization projects. Both projects require meticulous planning, and significant expertise, staffing and financial resources to ensure successful implementation. The agency will be challenged to meticulously complete work already underway for UI modernization, given the statutory implementation dates contained in HB 2005 for the Paid Family Medical Leave Insurance program. The assessment will evaluate risks against the agencies cores services and priorities outlined in the agency's strategic plan.

The Department has contracted with a vendor to perform this risk assessment, which is not yet complete. Preliminary results of the assessment are likely to be available mid-March, and so a more thorough report to the legislature will likely be presented during future interim legislative days, possibly to the Joint Legislative Committee on Information, Management and Technology.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends acknowledging receipt of the report.



# Oregon

Kate Brown, Governor

## Employment Department

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Salem, Oregon 97311  
(503) 947-1394  
TTY-TDD

[www.Employment.Oregon.gov](http://www.Employment.Oregon.gov)



January 15, 2020

The Honorable Senator Betsy Johnson, Co-Chair  
The Honorable Senator Elizabeth Steiner, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
Joint Interim Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, Oregon 97301-4048

Dear Co-Chairs:

### **Nature of the Emergency/Request**

The Legislative Assembly passed House Bill 2005 in the 2019 Regular Session creating a paid family and medical leave insurance program in Oregon. The program provides employees with compensated time off from work to care for and bond with a child during the first year of the child's birth or arrival through adoption or foster care, to provide care for a family member who has a serious health condition, to recover from employees own serious health condition, and to take leave related to domestic violence, stalking, sexual assault or harassment, known as safe leave.

House Bill 2005 included the following budget note requesting the Oregon Employment Department (agency) to provide a report to the Legislature:

To ensure the successful planning, management, and implementation of the Family and Medical Leave Insurance (FAMLI) [*sic*] program, the Employment Department is directed to conduct a risk assessment of its capacity to plan, manage and implement multiple major IT projects simultaneously, and report back to the Legislature prior to the 2020 legislative session on risk assessment findings and potential strategies – including changes to anticipated implementation timelines – to meet the objectives of both the FAMLI project, and the unemployment insurance tax system modernization project.

In addition, the agency has been asked by the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development to present a status update on the Paid Family and Medical Leave Insurance program (PFMLI) during the February 2020 Legislative Session. In the status update to the Subcommittee, the agency will include a report on progress of the risk assessment for implementing the agency's modernization projects and the planning and implementation of the PFMLI program as requested by the budget note.



# Oregon

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## **Agency Action**

The agency has initiated work with a vendor to conduct the risk assessment of managing and implementing both our Unemployment Insurance Modernization Project and the PFMLI program. Although we do not anticipate the risk assessment will be completed by the date of our scheduled February update, the agency will provide a progress update to the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development as of the date of our requested appearance before the Subcommittee.

## **Action Requested**

The Oregon Employment Department requests acceptance of this update.

## **Legislation Affected**

None

Sincerely,

A handwritten signature in cursive script that reads "Kay Erickson".

Kay Erickson  
Director, Oregon Employment Department

cc: Ken Rocco, Legislative Fiscal Office  
Michelle Deister, Legislative Fiscal Office  
Sean McSpaden, Legislative Fiscal Office  
George Naughton, DAS Chief Financial Office  
Tamara Brickman, DAS Chief Financial Office