Oregon

Kate Brown, Governor

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MEMORANDUM

To: Terrence Woods, State Chief Information Officer (State CIO)
From: Ed Arabas, Lead Oversight Analyst
Date: September 13, 2019
Subject: Oregon Public Employees Retirement System Senate Bill 1049 Implementation
            Program Stage Gate 1 approval

BACKGROUND

Senate Bill 1049 (SB1049) is comprehensive legislation intended to address the increasing cost of funding Oregon's Public Employees Retirement System (PERS), to reduce system Unfunded Actuarial Liability (UAL) obligations, and to provide relief to escalating contribution rate increases for public employers. Different statutory provisions require PERS to develop short- and long-term plans to adjust the existing technology infrastructure that supports more than 900 public employers and 367,000 members and their beneficiaries. The PERS implementation of SB1049 mandates includes five distinct sections, each of which have their own effective dates and span many areas within PERS operations. Thus, PERS has decided to design and manage the implementation work of SB1049 as a program with five component projects.

DISCUSSION

PERS has engaged in appropriate initiation and planning activities related to the implementation of SB1049's mandates. PERS provided the following artifacts in the Office of the State CIO's (OSCIO) Project Portfolio Management (PPM) tool for review:

(1) Three Work Order Contracts for Project Management, Member Redirect design and development, and Work After Retirement design and development support services);
(2) Signed Program Charter;
(3) Signed Information Technology Investment (ITI) form;
(4) Signed Business Case; and,
(5) And initial draft of an Agency Program Risk Assessment.

PERS has developed appropriate project teams for each of the five component projects within the SB1049 Implementation Program (Member Redirect, Member Choice, Work After Retirement, Salary Limits, and Employer Programs). Additionally, PERS has appropriately undertaken efforts to secure adequate staff resources, adequate working space, and adequate technical support to initiate program and project activities. PERS meets regularly with oversight bodies from the Legislative and Executive branches.

RECOMMENDATION

Approve the Senate Bill 1049 Implementation Program through Stage Gate 1, with the following conditions:

(1) Continue efforts to obtain an independent quality management services (iQMS) contractor for the program, as required;

(2) Continue to report program and project status using the PPM tool, as required;

(3) Prior to project-level Stage Gate 2 approvals, PERS must submit updated program management planning documents using the PPM tool;

(4) Prior to project-level Stage Gate 2 approvals, PERS must submit project-level business cases and charters for each component project using the PPM tool; and,

(5) Prior to project-level Stage Gate 3 approvals, PERS must submit project-level project management planning documents using the PPM tool, (if they deviate substantially from program-level plans already submitted for Stage Gate 2).

Upon review of submitted project-level charters and other project initiation/planning artifacts, OSCIO may determine that individual projects will follow separate approval workflows.

Analysis prepared by: _Edward P. Arabas. II_ Date: _9/13/2019_

Analysis approved by: _[signature]_ Date: _9/13/2019_