



# Oregon

Kate Brown, Governor

Employment Department

875 Union Street NE

Salem, Oregon 97311

(503) 947-1394

September 21, 2022



The Honorable Senator Rachel Armitage, Co-Chair  
The Honorable Representative Nancy Nathanson, Co-Chair  
Joint Committee on Information Management and Technology  
900 Court St NE H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

Thank you for the opportunity to provide a written project update on the Employment Department's Unemployment Insurance Modernization Project. Please accept the attached report per your request.

Since our appearance before the Joint Committee on Information Management and Technology in June, we've made exciting progress. On September 6, 2022, we successfully rolled out the first phase of this complex, multi-year effort to modernize the department's business processes and core technology systems and make them more flexible, adaptable and efficient.

Employers and third-party administrators can now do many things in Frances Online, like file and amend their payroll reports, find their tax rate and those of their clients, manage account access for themselves and their staff, view letters, and send and receive secure messages.

We are proud of the accomplishments of the modernization program thus far, and look forward to continued success.

Respectfully,  
Renee Royston  
Modernization Director  
Oregon Employment Department

Attachment: Modernization Update Report

# Unemployment Insurance Modernization Project

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## Project Status

The Oregon Employment Department (OED) respectfully submits this report on the progress of our Modernization Program and Unemployment Insurance (UI) Modernization Project, as requested by the Joint Committee on Information Management and Technology. The Modernization Program last testified to the Joint Committee on Information Management and Technology regarding the UI Modernization Project on June 3, 2022. This report contains an update of the project since that time.

Implementation of the UI Modernization Project is on time, in scope, and on budget. The first phase of the project focused on replacing the legacy and existing systems supporting receipt of UI payroll reports and taxes and creating the technology to support Paid Leave Oregon payroll reports and contributions. We are transforming business processes to take advantage of opportunities and benefits available through improved system capabilities while supporting the strategic organizational changes that are in progress to stand up the Paid Leave Oregon program.

Frances, OED's new system, successfully went live on September 6, 2022, as planned. Employers will file their third quarter combined payroll reporting using our new system.

The purpose of this letter is to share an update on the work we completed leading up to the rollout, share the success of the first phase of the project, and provide information about the next phase, focused on UI and Paid Leave benefits.

### PREPARING TO "GO-LIVE" WITH THE NEW SYSTEM - ACTIVITIES SINCE JUNE 2022

#### Legacy and existing systems, data readiness, testing, and quality management

The data OED gathers and uses for agency programs, and that we share with other agencies and organizations, is foundational to the work we do. Ensuring OED is protecting the data, that it is appropriately converted, and available to those who use it after rollout is a critical focus of this project.

To prepare, the project team completed 14 "full mock," or practice conversions. The last two full mock conversions were dry runs of what would happen on the weekend before Frances went live. The dry runs helped OED practice exactly the timing and transitions of each step.

Additionally, as the rollout weekend approached, staff from the business areas around the agency, OED's IT team, and the project team met daily in decommissioning and cutover planning meetings to identify down-to-the-minute activities for the weekend leading up to September 6. The purpose of these meetings was to preserve processes that support UI benefits and other systems, determine shut-off dates for the systems being replaced, such as Oregon Payroll Reporting System, and Employer Account Access, and identify necessary internal and external communications.

The support and engagement OED has had with interface partners has been critical. OED worked closely with the state agencies and organizations OED shares data and processes with to confirm that the connections were still intact and working the way they need to. OED partners helped identify the system access they needed to maintain as well as tested interfaces, data exchanges, and their access to our external partner portal.

To ensure the system would work as anticipated, OED also completed several other layers of testing. OED staff from the business areas wrote over 1,500 test scenarios to confirm Frances would work as planned. The project team completed end-to-end testing, which tests daily tasks to simulate how staff will use the system, move the system date forward to simulate key business dates and processes that only run at certain times, for example, First Quarterly Charge Statements to employers, 1% Penalty notices when employers are late, and Annual Rating notices to employers. Finally, OED worked

with the state's Data Center Services (DCS) to run a test disaster scenario to simulate how the system will be restored to working condition in the event of an unexpected shut-down.

While the independent quality management services (iQMS) vendor overseeing the modernization program does not have a formal approval step for the system going live, OED worked closely with them to continue actively monitoring project activities as we neared the September 6, 2022 go live date.

## Preparing OED staff and partners

OED has a dedicated training team made up of vendor, project team, and business experts. OED's approach to training has a four-tiered focus that includes teaching core fundamentals and job-specific training through eLearning Modules, instructor-led training, and classroom style "sandbox training" opportunities. Additionally, the team provided training and support to the more than 6,000 external users who log into our External Frances Portal.

## Stakeholder engagement

In April 2021, OED leadership invited four members of the Oregon legislature and trusted experts on Oregon Information Technology (IT) projects, including the State Chief Information Officer and an LFO Principal Legislative IT Analyst, to participate on OED's Modernization Oversight Forum. The Forum members review complex topics, ask tough questions, and provide thoughtful counsel and strategic advice to the OED Modernization program.

OED's state agency partners and employer representatives have also continued sharing their important perspective and input by participating on the Modernization Stakeholder Board. The board has given the agency the opportunity to share progress information and learn from representatives of the businesses and workers who use OED's core systems.

Over the course of the project, OED has included employer community representatives and close agency partners in surveys, demonstrations, focus groups, and customer testing. Employers ranging from small to very large have given us feedback, along with people who file on behalf of others, business-owners who are women, and representatives of tribal communities.

In August 2022, OED's stakeholder engagement team participated in a partner-agency training opportunity in 12 different locations, introducing Frances Online in person and answering questions from payroll providers around the state. The project update subscriber list has grown to over 17,000, and the OED team sends the agency's Employer News communication to nearly 100,000 employers statewide. We have also been grateful for the help of partner agencies, specifically Department of Revenue, Secretary of State, and Department of Consumer and Business Services, who have helped OED share information about the project with key customer groups in the form of webpage updates, social media posts, and system updates.

## Cutover checkpoints

Over Labor Day weekend, the team used three "checkpoints" to validate that the system and staff were ready to go live. The first checkpoint validated the initial readiness for cutover and conversion. The checkpoints ensured OED had appropriate rollout support structures in place, confirmed the team had completed planned communications to staff and external customers, and had completed training. The team also confirmed that all critical interfaces had been identified, and end-to-end testing had been successfully completed.

This second checkpoint validated conversion reconciliation and conversion verification. The third checkpoint verified completed business transactions had processed successfully and that legacy systems were properly set for going forward.

## OED'S NEW SYSTEM: FRANCES

The agency chose the name “Frances” in honor of Frances Perkins, the first female presidential Cabinet member, and the longest serving Secretary of Labor in the nation’s history. Her life and career embodied the mission and vision of the work OED staff does every day, and captures the intention of both the unemployment insurance and Paid Leave Oregon programs.

Frances, and Frances Online, the public facing web portal, was available on Tuesday, September 6, 2022 at 7 a.m., as planned. In preparation for go-live, OED had staff in place to support the dedicated teams who are answering customer phone calls and helping employers learn and navigate the new system, as well as respond to emailed inquiries for help.

Within the first day, nearly 1,000 customers created their account in Frances Online. The team was also excited to receive an equivalent plan application for our Paid Leave Oregon program within the first hour of the system turning on. This system allows OED customers to complete numerous tasks they were not able to perform electronically in the past, such as, updating contact information (including adding or changing an address), updating their own demographics, adding client accounts, requesting refunds, and making payments.

One example is the business change in status form. Prior to Frances Online, customers had to print the form, fill it out, mail it to the agency, and then a staff person manually processed those changes. Now this process takes an average of 4.5 minutes. The updated information posts immediately and no paper, printing, mailing, or waiting is involved. Importantly, while we worked to expand self-service and accessibility, we continue to offer paper forms to those customers who either do not have access to Frances Online or prefer filing by paper.

So far, over 4000 employers and third-party administrators have created their account in Frances Online, and over 18 employers have completed their application for an equivalent plan, with more than 40 submitting their declaration of intent to submit a plan by January of 2023.

OED is happy with the progress so far, but know that adjustments will be needed on a case-by-case basis. For example, some employers and third-party administrators are frustrated that the team did not convert their Oregon Payroll Reporting System logon. Their data and that of their clients is in the new system, but to protect their data, the agency is asking them to create a new logon and then validate that they should have access to that data. The team has worked to simplify the process of creating a logon, and adding clients, and are working to share resources and to provide help to employers who have questions well ahead of the October 2022 filing date.

One example is Frances Online’s chat bot, which is available in Spanish and English, and is learning every day based on questions employers are asking. The Team is using those frequently asked questions to update our employer resource page at francesinfo.oregon.gov. The resource page also has infographics, short how-to videos, and a step-by-step guide to common tasks like creating an account and filing payroll reports.

Additionally, OED is hosting workshops in early October to provide one-on-one assistance to employers who would appreciate additional assistance getting started in Frances Online, or filing their payroll report for the first time.

## CONTINUOUS IMPROVEMENT AND PROJECT TIMELINE

The work of this first rollout has been extensively collaborative. The OED teams have supported and received critical support from our service delivery partners, those partner agencies with whom the agency shares customers and processes. The work being done to improve the shared customer experience is complex given the number of overall projects and different stage of modernization efforts across state partner’s agencies. Due to the collective complexity, OED is working to release enhanced functionality incrementally so we can demonstrate success that builds to the greatest change, strategically, over time.

In the timeline below (Figure 1) related to this first rollout, the project team replaced the current combined reporting process and started to receive Paid Leave Oregon equivalent plan applications.

OED will enhance the combined filing capabilities in January 2023 by adding the statewide transit tax, currently a standalone report to Department of Revenue and employer’s number one requested improvement. Also, in January 2023, employers will report the new Paid Leave contributions on the combined payroll report. These additions will make this system one of the most comprehensive, all-in-one employer payroll reporting systems in the nation, making it easier for employers to file payroll reports for multiple agencies and programs.

Also, in January, self-employed individuals will be able to choose to participate in Paid Leave Oregon coverage on the state plan.

Finally, in partnership with DOR, in addition to what you see here, OED’s intent is that by the time first quarter combined returns are filed in April 2023, OED will implement streamlined “file and pay features” as requested by Oregon employers.

**Figure 1. Frances Online Timeline**



**PLANNED ACTIVITIES FOR THE COMING ROLLOUT**

The next phase of our project, focused on how Frances will support Paid Leave Oregon and UI benefits, officially started on September 19, 2022. Frances Online will be rolled out for Paid Leave Oregon benefits and small business assistance grants in September of 2023, and UI benefits starting in March 2024. This is an exciting time for the ongoing, continual improvement of how the agency serves Oregon workers and businesses.

As with the planning for the first roll-out focused on contributions, OED’s first tasks for these remaining rollouts include finalizing project dates for the various activities to be completed, creating and validating inventories for existing data, interface, and letters, defining what our customers need to access OED services, and identifying historical barriers to access.

## CONCLUSION

We are grateful for your continued support and engagement. As OED begins the next phase of this project, we intend to match, and increase, the level of engagement with our customers and stakeholders from what we have done in the first phase to ensure Oregon's UI and Paid Leave benefits programs are readily available to customers in their time of need. We know we will continue to find ways to improve the system as we progress through this project, and feel optimistic of the customer service experience we will be able to offer Oregonians in the future.

For more information about the Modernization Program, please visit our [website](#).