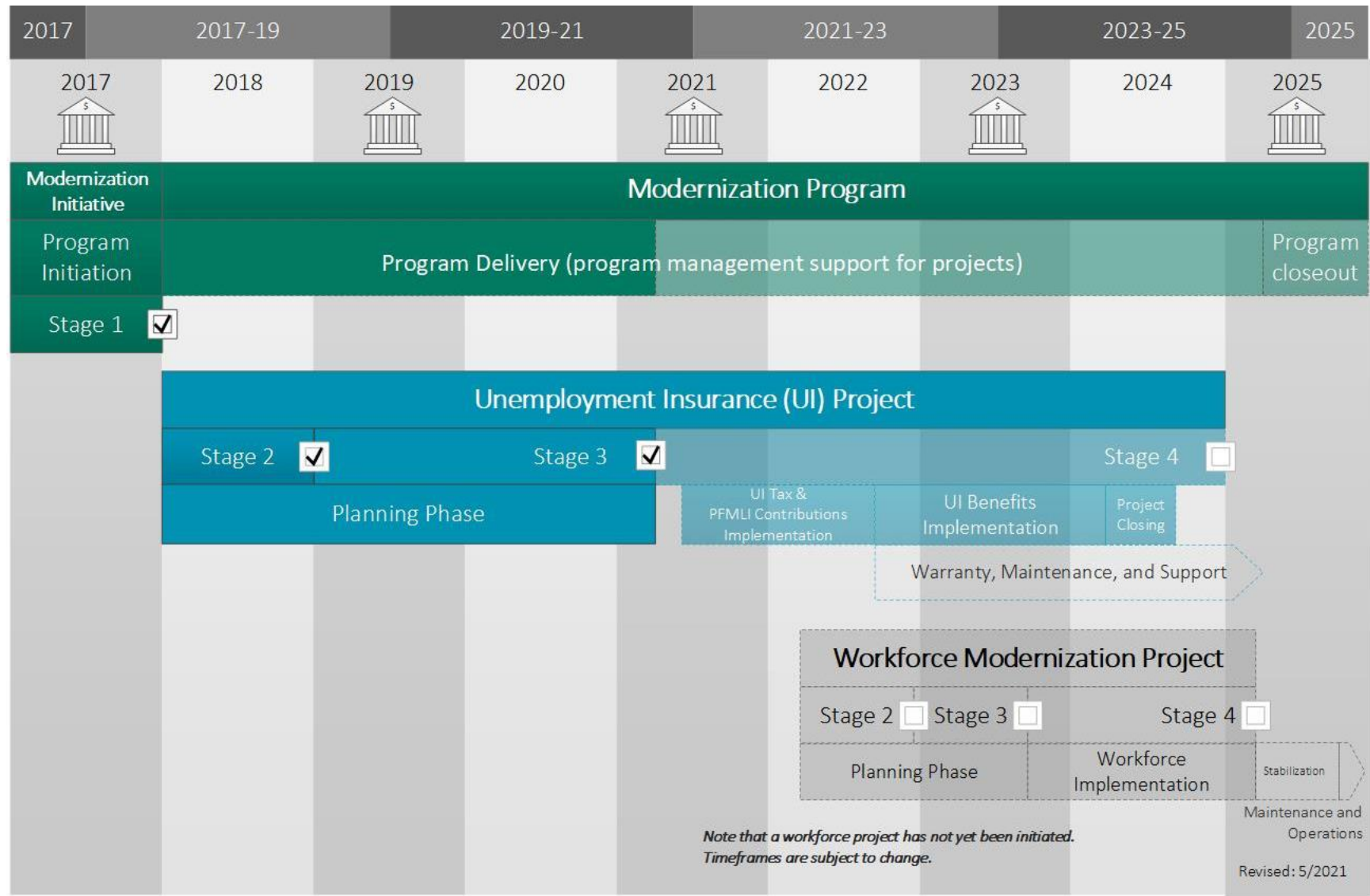# Modernization Program Update

Joint Committee on Information Management and Technology

DAVID GERSTENFELD, ACTING DIRECTOR
RENEE ROYSTON, MODERNIZATION DIRECTOR
BILL TRUEX, CHIEF INFORMATION OFFICER

May 26, 2021

Support Business · Promote Employment

Modernization Program

Support Business · Promote Employment

Modernization Program Goals

Enhance customer experience

Deliver improved services, such as online self-service, automation, access to data, and integration with partners.

Transform business processes

Leverage modern system capabilities to provide improvements and efficiencies in business processes, and new tools for our employees, and support more effective service delivery to our customers.

Modernize technology

Replace the agency's aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

Improve data security

Improve our ability to anticipate and respond to security threats, and manage access.

Provide expandable technology

Deliver a system capable of supporting new programs and functionality needs.

Scope

- Unemployment Insurance Tax
- Unemployment Insurance Benefits
- Paid Family and Medical Leave Insurance Contributions

Support Business · Promote Employment

UI Modernization Project - Solution Contract

$60M
9 Year Initial Contract
May 2021 – June 2030

Project – $46.7M
Software and Licenses
Implementation Services
- UI tax and PFMLI contributions
- UI benefits

Warranty Services

Post-project – $13.3M
Ongoing Maintenance and Support
- Brake/fix
- Service packs
- Version upgrades

Expected Advantages for User Experience

Fully Integrated Tax and Benefits

User Interface Accessibility – ADA Compliance

Enhanced Program Integrity Tools

Real-time Management Dashboards

Process Automation Based on Business Needs

Enhanced Online Customer Engagement

Schedule

Rollout 1
UI Tax and PFMLI Contributions
July 2021- September 2022

Rollout 2
UI Benefits
September 2022 – March 2024

Support Business · Promote Employment

Budget

Total Project Costs*................ **$106,121,029**

Modernization Fund.................$81,697,283
Other funds.....................UI tax and benefits
General fund loan.........PFMLI contributions

*+10% - $116,733,132
-10% - $95,508,926

As of April 2021

Support Business · Promote Employment

Independent Quality Assurance Findings

Overall UI Modernization Project Health Rating

Current Status

Current Trend

- The UI Modernization Project continues to be a priority for the Agency.
- Communication and team health is strong despite remote work.

Project taking action to address identified risks

- **Schedule** | Procurement took longer than anticipated. Solution contract signed and project kick off scheduled
- **Scope** | Adding PFMLI contributions is a minor scope change and business rules, policy and procedures are being developed or finalized for PFMLI
- **Readiness** | Additional Modernization team managers and staff in place for project beginning
- **COVID** | Pandemic response continues to impact the agency resources

For month ending February 2021

Risks and Challenges

Pandemic Workload

Change Fatigue

Procurement

Expanding Scope

Staffing

Stakeholders

Project Readiness Activities

Project

- Building the team
- PFMLI contributions scope inclusion
- Contracting with Solution Vendor
- Stage Gate 3 endorsement
- Lessons learned

Workgroups

- Process and Constraints
- Legacy planning
- UI Data Workgroup
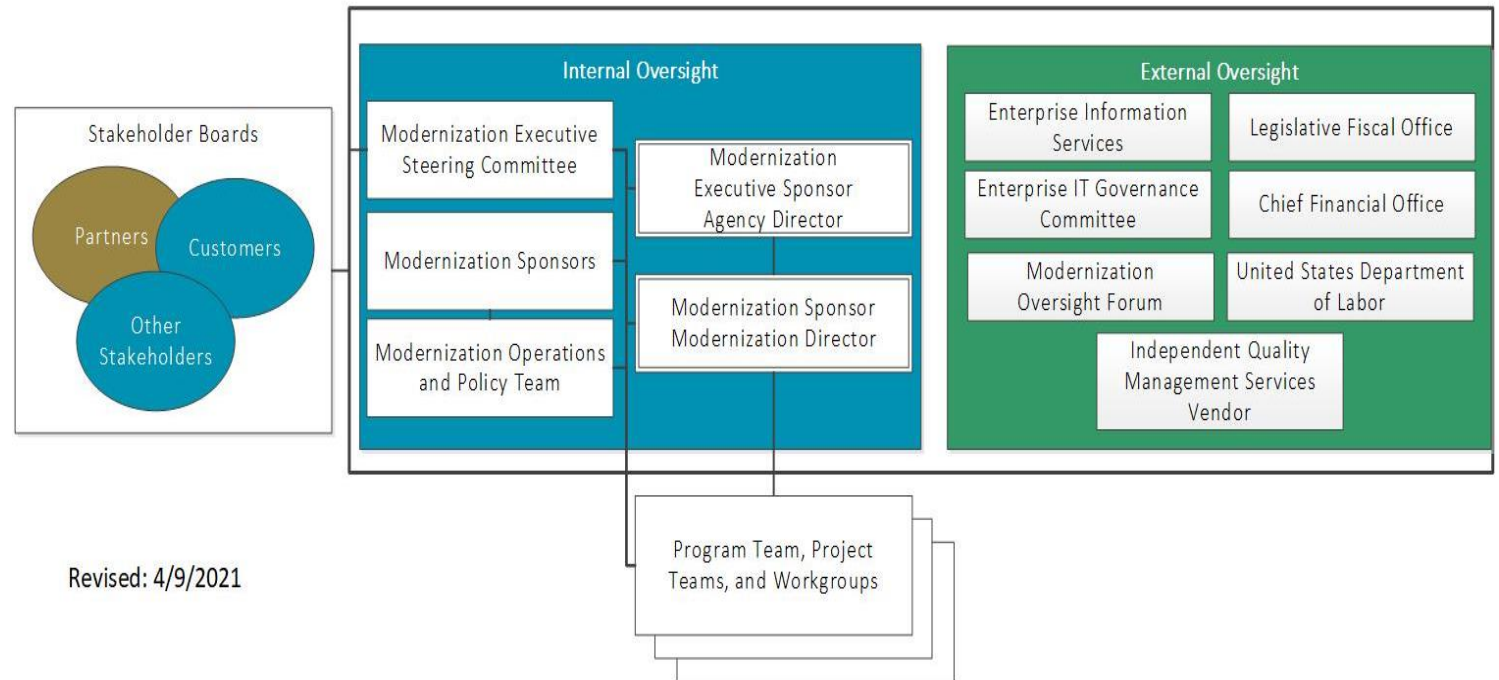- IT readiness

System & Data Conversion Planning

Data

Interfaces

Infrastructure

Reports & Notices

Partnering: Governance and Oversight

- Building a strong foundation

- Learning from other projects

- Sharing information

- Inviting partnership

Learn more @ https://www.oregon.gov/EMPLOY/modernization

Stakeholder Boards

Partners
Customers
Other Stakeholders

Internal Oversight

Modernization Executive Steering Committee

Modernization Sponsors

Modernization Operations and Policy Team

Modernization Executive Sponsor Agency Director

Modernization Sponsor Modernization Director

External Oversight

Enterprise Information Services

Legislative Fiscal Office

Enterprise IT Governance Committee

Chief Financial Office

Modernization Oversight Forum

United States Department of Labor

Independent Quality Management Services Vendor

Program Team, Project Teams, and Workgroups

Revised: 4/9/2021

Partnership: Modernization Oversight Forum

Members

Senator Chuck Riley | *Oregon State Senator*, Senate District 15

Senator Tim Knopp | *Oregon State Senator,* Senate District 27

Representative Nancy Nathanson | *Oregon State Representative*, District 13

Representative Paul Holvey | *Oregon State Representative,* District 8

Terrance Woods | *State Chief Information Officer,* Enterprise Information Services

Private Sector CIOs | *TBD*

Sean McSpaden | *Principal Legislative (IT) Analyst*, Legislative Fiscal Office (LFO)

Partnership: UI Modernization Stakeholder Board

Members Representing Service Delivery Partners

Central Services Division Administrator, *Department of Consumer and Business Services*
Project Executive, *Department of Justice - Division of Child Support*
Business Division Administrator, *Department of Revenue*
Self Sufficiency Director, *Department of Human Services*
Deputy State Treasurer, *State Treasurer's Office*
Corporation Division Director, *Secretary of State's Office*

Members Representing Customers

Staff Attorney, *Portland Regional Office of Legal Aid Services of Oregon*
Manager Government Relations, *Equifax Inc.*
Self Sufficiency Program Director, *Confederated Tribes of Siletz Indians*
Owner, *Mr. Rooter*
Director Government Affairs, *ADP*

Partnering: External Stakeholders

Federal

Federal Office of Child Support Enforcement
Internal Revenue Service
National Association of State Workforce Agencies
Social Security Administration
U.S. Department of Labor

State

Bureau of Labor and Industries
Business Oregon
Chief Financial Office
Department of Administrative Services
Department of Consumer and Business Services
Department of Education
Department of Human Services
Department of Revenue
Employment Department Advisory Council
Employment Department employees
Governor's Office
Higher Education Coordinating Commission
Labor organizations

Legislative Fiscal Office
Legislators and policymakers
Office of the State Chief Information Officer
Oregon State Treasury
Secretary of State
Workforce and Talent Development Board

Local

Business and trade associations
Businesses
Community colleges
Community-based organizations
Customers
Economic development organizations
Educational service districts
Labor organizations
Local Workforce Development Boards
Oregonians
Professional associations
School districts
Universities

Partnering: Internal Stakeholders

Modernization touches every division of our agency. The Modernization team is engaging with our staff in virtual meetings, all-agency open houses, providing resources, and activities.

- Unemployment Insurance Tax, Benefits, and Operations
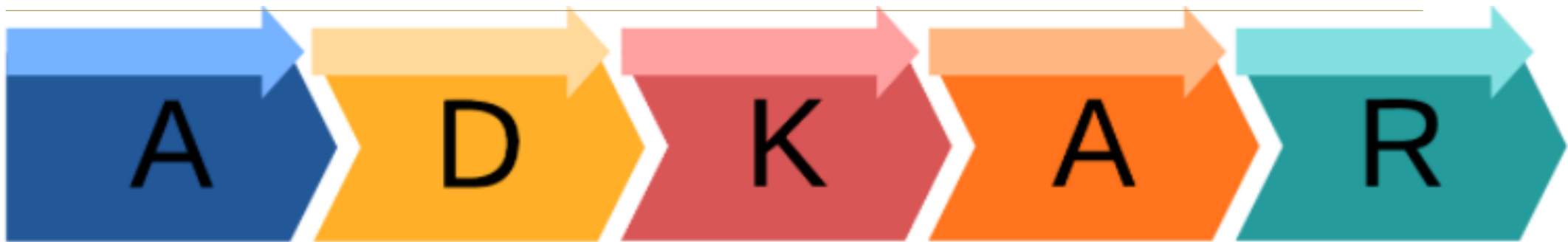- Paid Family and Medical Leave Insurance
- Information Technology
- Administrative Business Services
- Workforce and Economic Research
- Human Resources
- Workforce Operations

Organizational Change Management

A — **Awareness**
- Announce the change to employees well ahead of time.
- Explain your reasoning behind the change, including current pain points and potential ROI of the new solution.
- Give employees an opportunity to ask questions and make suggestions.

D — **Desire**
- Gauge employees' reactions to the change.
- Identify champions.
- If employees are resistant or indifferent, address their concerns or show them how the change benefits them personally.

K — **Knowledge**
- Provide training or coaching to show what employees need to do after the change takes place.
- Address any skill gaps.
- Offer resources, such as process flowcharts, that employees can reference later on.

A — **Ability**
- Schedule practice runs before the change is fully implemented.
- Monitor performance immediately following the change and provide constructive feedback.
- Set reasonable goals and metrics at the start.
- Adjust processes as necessary.

R — **Reinforcement**
- Monitor the change over time to ensure it fulfills your desired outcome.
- Use positive feedback, rewards, and recognition to encourage employees to keep following the new process.

Enablement zone

Engagement zone

July 2021 Kickoff

- Detailed planning with FAST Enterprises

- Data conversion planning

- Technical foundation

- Software installation June 2021

- FAST Enterprises staff joining our team

Thank You