OREGON
PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Modernization Program

Status Report

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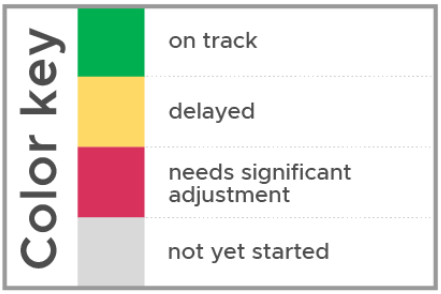
Modernization Program

Status Report for: August 2024

PROGRAM INFORMATION

The PERS Modernization Program is a multi-biennia initiative comprised of a variety of projects focused on transforming the core pension administration and supporting systems and eliminating the current need for and reliance on off-line tools and workarounds. Through this transformation, opportunities to improve business processes will be realized and PERS will be in a better position to deliver the agency's mission to "pay the right person, the right benefit, at the right time." It is currently scoped to run from July 1, 2022, through June 30, 2031.



Overall program status health:

Governance

Governance is not clearly defined with our stakeholders and is impacting progress to develop foundational program documentation. Discussions to clarify roles is in process. Modernization Director role is currently unfilled and will be recruited in coming months. Once the Modernization Director position is filled, the health status will be re-evaluated.

Schedule

Overall program schedule is on track.

Scope

Detailed scope is not yet defined. Desired program benefits and Accenture jClarety future state recommendation is under review by the Modernization Steering Committee which will refine and focus program scope.

Budget

Delays from Senate Bill 1049 Implementation and 2021-23 procurements impacted the 2023-25 budget and planned activities. A budget reallocation request was submitted and approved at the 2024 legislative session.

- **Program Definition/Development**
  - Modernization Steering Committee (MSC) met on 8/20/24.
  - Hybrid Integration Platform (HIP) Project Business Case approved by MSC on 8/20/24.
  - iQMS D4.1.1 Quarterly QA Assessment reviewed by PERS and EIS and returned to Gartner with feedback.
  - Continued research into other pension system solutions for Program Business Case.
  - A survey is being prepared to send to other pension systems undergoing modernization and will launch on 9/18/2024.
  - Communications Management and OCM Plans under review.
- **Architecture Definition/Development**
  - PERS Enterprise Architecture team is evaluating Accenture's Future State recommendation for jClarety. An analysis will be delivered to PERS executives in September.
- **Contracting Activities**
  - A work order contract amendment for DevOps consulting services has been submitted to EIS and DAS procurement for review.
- **Budget**
  - Modernization team prepared and submitted Program and Project Business Cases for the 25/27 budget request.

PROGRAM PROJECTS AND COMPONENTS

Component establishment and project initiation activities will be listed here as they are developed.

Telephony Modernization Project

- Kyndryl presented demos to PERS on 2 products, AWS connect (Cloud) and OpenScape.
- The project team provided feedback for a solution recommendation.
- A final Solution Recommendation document is being prepared for executive sponsor.
- Project team continues to review alternatives for modernizing PERS current Fax system.
- PERS, DAS and Kyndryl Project Managers continue to meet regularly.

Data Cleaning Implementation Project

- Data Cleanup Plan & Schedule (D2.0) was submitted for Quality Check Point and accepted.
- Data Subject Area workshops are being planned for first two areas- Wage and Contribution and Member Account Maintenance.
- Data Subject Area workshops will start in September.

BUDGET

Expenses	Budget	Actual to Date	Projections	Total	Variance
Program Staff	$ 3,406,073	$ 1,207,904	$ 1,989,317	$ 3,197,221	$ 208,852
Client Relationship management	$ 400,000	$ -	$ 400,000	$ 400,000	$ -
Data and Analytics	$ 1,000,000	$ 228,067	$ 614,599	$ 842,666	$ 157,334
Development and Operations	$ 560,000		$ -	$ -	$ 560,000
Architecture	$ 2,000,000	$1,600,204	$ 597,514	$ 2,197,718	$ (197,718)
Ind Quality Management Srvs	$ 1,200,000	$ 191,000	$ 937,500	$ 1,128,500	$ 71,500
Hybrid Integration Platform	$ 450,000		$ 450,000	$ 450,000	$ -
Telephony	$ 557,000		$ 557,000	$ 557,000	$ -
Project Total	$ 9,573,073	$ 3,227,174	$ 5,545,931	$ 8,773,105	**$ 799,968**
Average Monthly Spend (Burn Rate)	$ 398,878	$ 134,466	$ 23,208	$ 23,208	

BENEFITS DELIVERY/SCOPE

Program scope is defined in terms of delivery of benefits. Once measurable benefits are finalized and documented in the program's benefits register, this section will be populated with reporting on a relevant subset of the benefits contained in the register to emphasize changes to benefits (target changes, additions to/deletions from benefits register, etc.) and any progress made on benefits delivery during the reporting period.

PROGRAM RISKS AND MITIGATION

Risk #11 Legislative Directives/Agency Focus: New legislation may direct the agency to focus on a higher priority project.

- Notes: House Bill 4045 passed in the 2024 legislative session is factoring into the 2025- 2027 program and project proposals. PERS leadership is evaluating the Modernization Program Roadmap to prioritize modernization activities which will best support delivery of House Bill 4045 within the mandated 1/1/30 timeline.

Risk #21 Detailed Program Scope is Not Determined: Scope statement is in development leading to confusion and uncertainty about what work will be included within the PERS Modernization Program effort and what will be managed through other efforts.

- Mitigation: The Modernization Steering Committee has made progress defining and prioritizing anticipated program benefits. Based on this work, more detailed program scope will be defined in a detailed scope statement. The Modernization Steering Committee confirmed the high-level program scope during the budget business case development. This is being refined as PERS evaluates the system needs from the passage of House Bill 4045 adding a new constraint to the program.

Risk #30 Unclear Agency Governance Processes: Some decision-making areas of PERS have out of date or no charter, overlapping scopes of responsibility, or do not have a clear relationship documented with other established governance bodies. This causes confusion and delays of critical decisions.

- Mitigation: An agency-wide business process improvement initiative is in process to evaluate how we intake new projects and initiatives and identify roles and scope of decision-making authority for governance bodies. The current state assessment has concluded, and a proposed future-state workflow is being reviewed. As this work moves forward, this risk will be reevaluated and updated as needed.

Risk #31 Unclear Roles Between Modernization and Information Technology (IT): New role of Modernization Section and engagement with strategic direction of IT is not clearly defined. Confusion on scope of roles. Key stakeholders are missing from meetings or not included in decisions which have downstream impacts.

- Mitigation: Executive alignment and decisions recorded on division of roles for modernization and intersections with IT. Clearly define modernization and IT roles, responsibilities, and document governance structures. This is under discussion as the executive leadership team evaluates the Modernization Director position description in preparation to recruit a new Modernization Director.

PROGRAM ISSUES AND CORRECTIVE ACTION PLANS

New Issue #9- Realized Risk #3 Internal Staffing- Limited, Loss of or Inexperienced Resources

Program Director Rebecca Craven submitted her resignation from PERS effective May 28th, 2024. Deputy Director Yvette Elledge-Rhodes will oversee the Modernization Program until a new director is hired. Currently, we have escalated the Program health status to red. Once the Modernization Director position is filled, the health status will be re-evaluated.

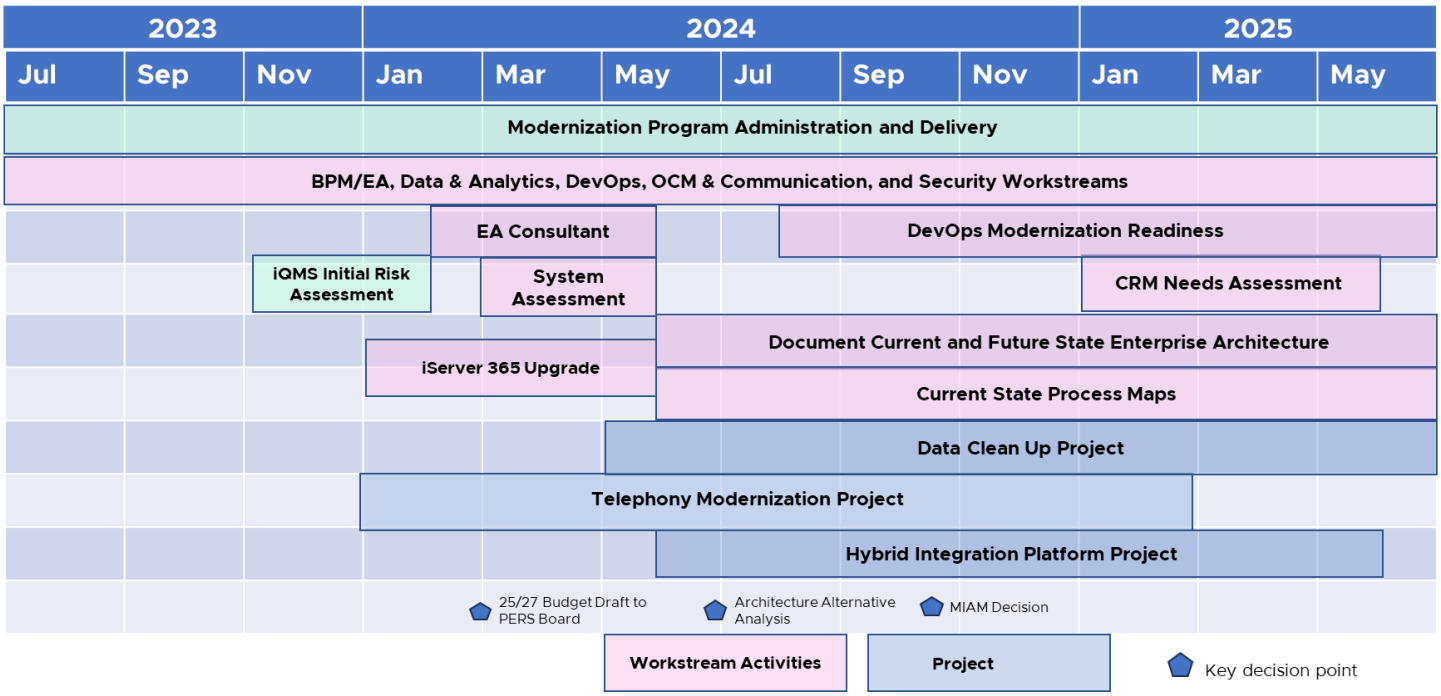
ROADMAP

The current program roadmap focuses on program-level activities, including components, workstreams, and important events/milestones.

Executing component projects will be depicted at a high level in this section but have their own detailed scope/schedule reporting within the program status report.

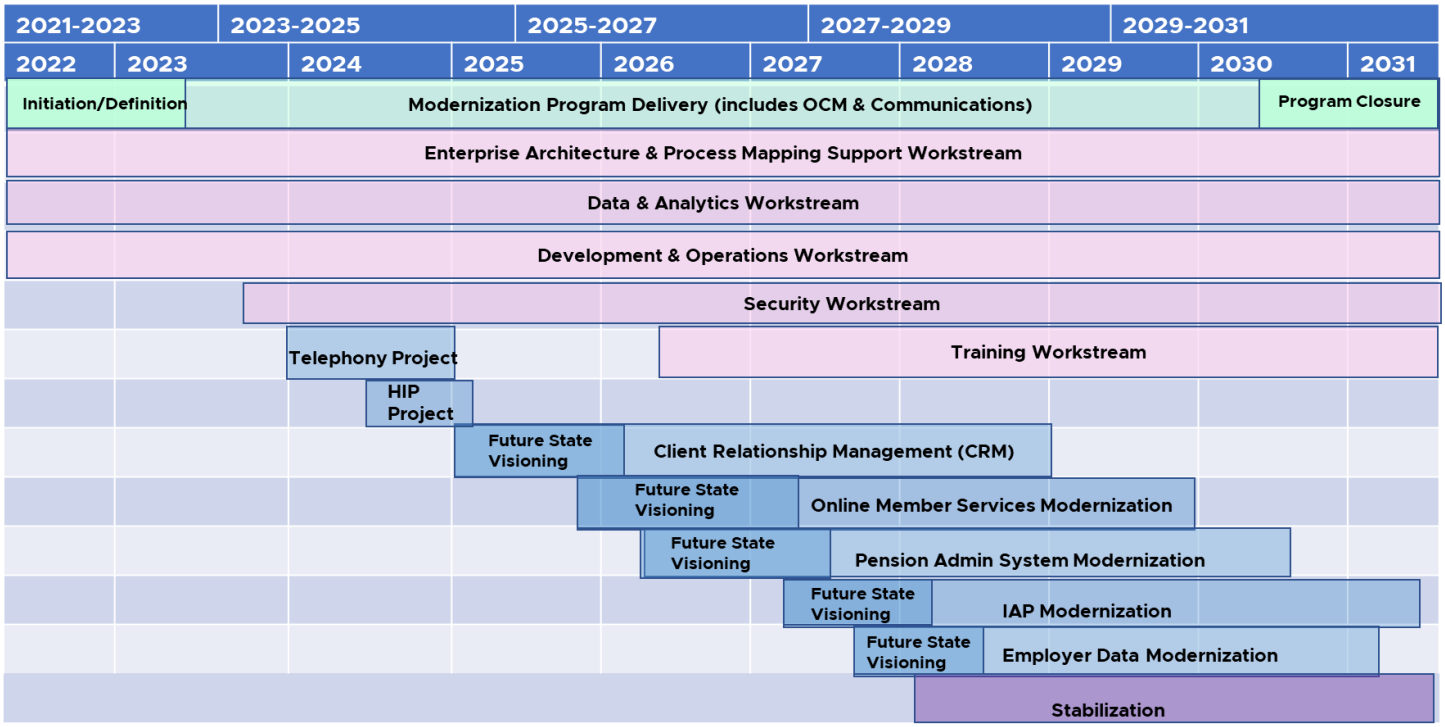
The PERS Modernization Program 23/25 Roadmap was approved by the Modernization Steering Committee on 5/14/24. Any future changes to the 23/25 Roadmap will be subject to change control processes.

PERS Modernization Program 23/25 Roadmap



Note that this timeline is an estimation and should not be considered a project schedule. A project schedule is developed after projects and resources are approved and prioritized in PERS Enterprise Portfolio and then will be formally baselined.

PERS Modernization Program Roadmap



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