



Budget Note Report on HECC Modernization Project

Joint Legislative Committee on Information Management and Technology

Ramona Rodamaker, Deputy Executive Director
Shannon Donivan Johns, HECC Modernization
Project Director

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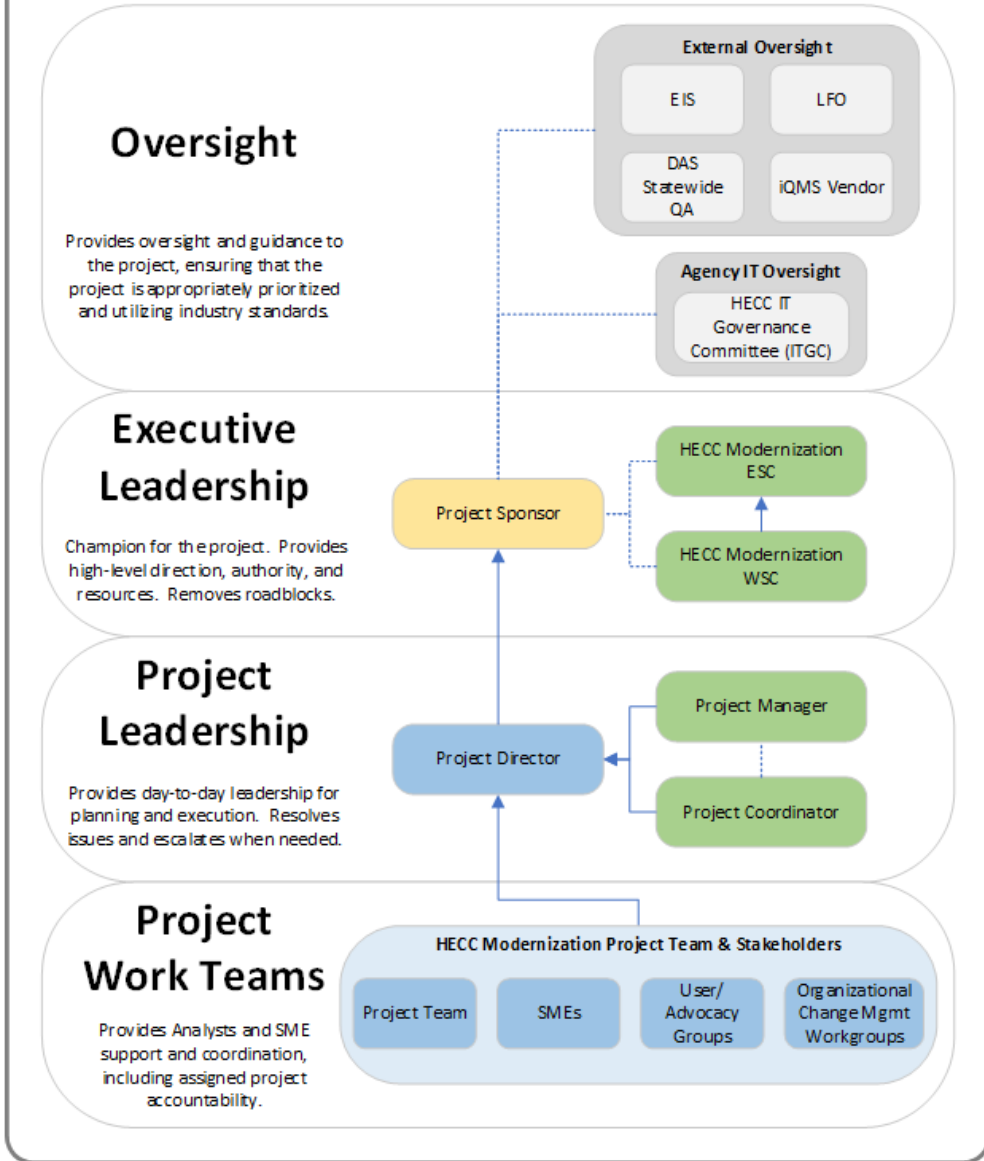
Project Overview and History

The HECC Modernization Project is initially working to replace three separate aging and failing core legacy systems:

1. ETPL (Eligible Training Provider List System)
 - The core system leveraged to provide a comprehensive list of training providers and programs that are eligible to serve participants receiving funding from Workforce Innovation and Opportunity Act (WIOA) programs.
2. FAMIS (Financial Aid Management Information System)
 - The core system leveraged to administer student financial aid for higher education and manage all associated fiscal processes for grants and scholarships.
3. PCSVets (Private Career Schools and Office of Degree Authorization)
 - The core system leveraged to administer Private Career School (PCS) licensure, teacher registration, and private college degree program authorization.

HECC Mod Reporting Structure

9/1/2023



Project Governance & Project Management Structure

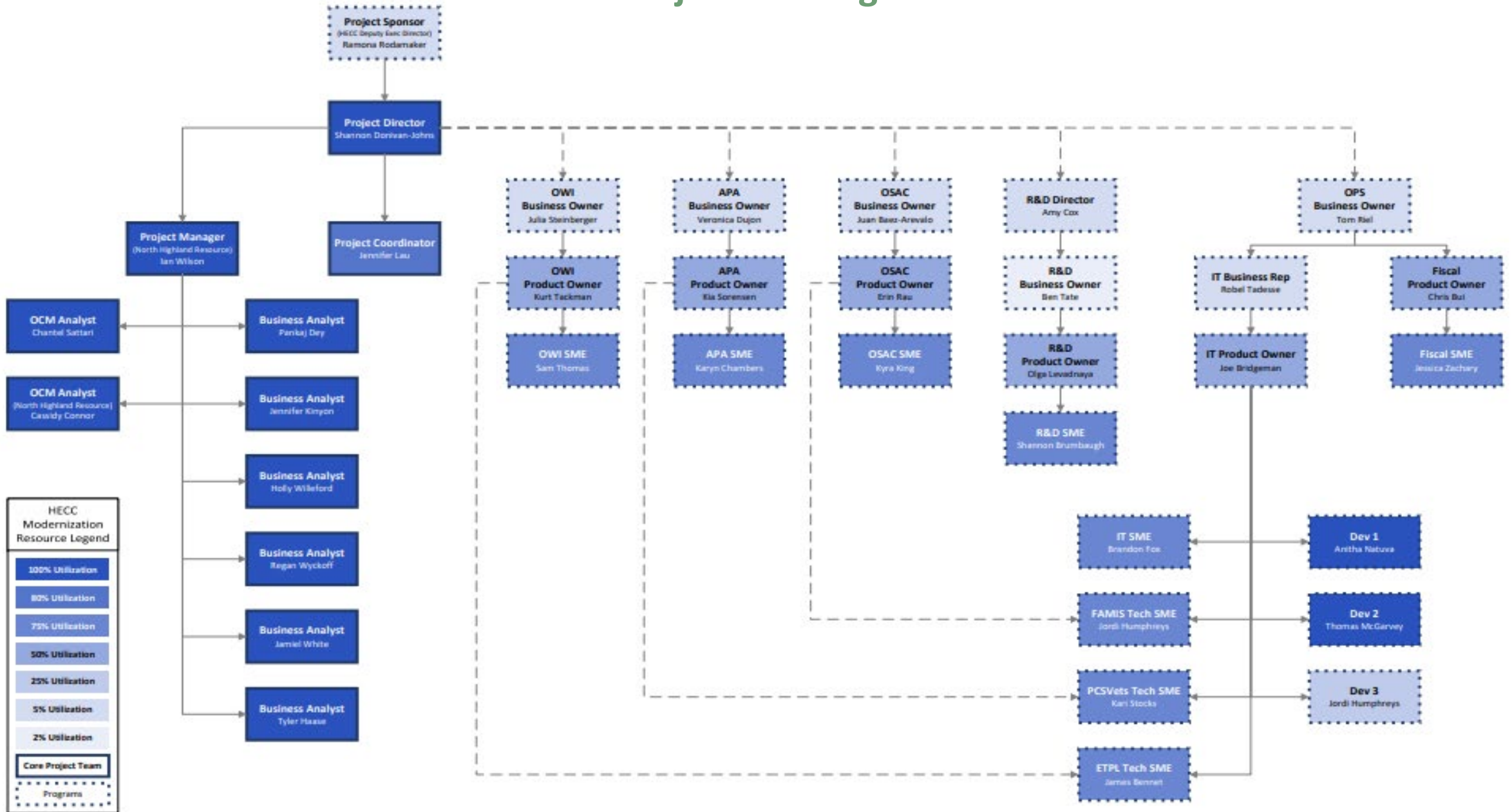
Project Governance Steering Committees

- Executive Steering Committee – Strategic Oversight
- Working Steering Committee – Tactical Oversight

Project Management

- Project Director
- 3rd party Project Manager
- Project Coordinator

Project Staffing



Project Budget & Funding Sources

Budget Line Item	Total
DOJ/Procurement Support	\$ 131,000
Project Management	\$ 1,898,000
OCM	\$ 1,000,000
IQMS Oversight	\$ 610,000
SI/Vendor	\$ 8,250,000
System/Platform Consulting	\$ 250,000
Software Licensing	\$ 1,000,000
HECC Staff	\$ 6,966,000
Total Implementation (over 3 biennia)	\$ 20,105,000

Funding Source	Amount of Funding
Q-Bonds sold in the '21-23 biennium (FAMIS replacement)	\$5,000,000
Expected Q-Bond sales in the '23-25 biennium (Modernization)	\$5,000,000
Other Funds (APA PCSVets replacement)	\$1,200,000
Federal Funds (OWI for a system for ETPL)	\$700,000
HECC contribution through existing resources	\$8,250,000
HECC staff time over multiple biennia (operations budget)	\$7,000,000
Project-specific costs (operations budget)	\$1,000,000
Consulting costs (operations budget)	\$250,000
Total funding	\$20,150,000

Current or Planned Procurements/Contracts

Contractor	Amount	Services Provided
North Highland	\$1.898M	Project Management and Organization Change Management
NTT Data	\$610,000	iQMS Oversight
Slalom	\$8.25M	Solution Vendor and Legacy Data Dictionary
Microsoft Product Quality Advisory	\$250,000	Advisory/Consultant Services for Dynamics
Anticipated/ potential future contracts	TBD	Additional storage, licenses for additional software, additional staff training

Legacy System Conversion Planning and Activities

Data dictionaries for the legacy systems being replaced

- HECC and Slalom began coordinating on this work in early January

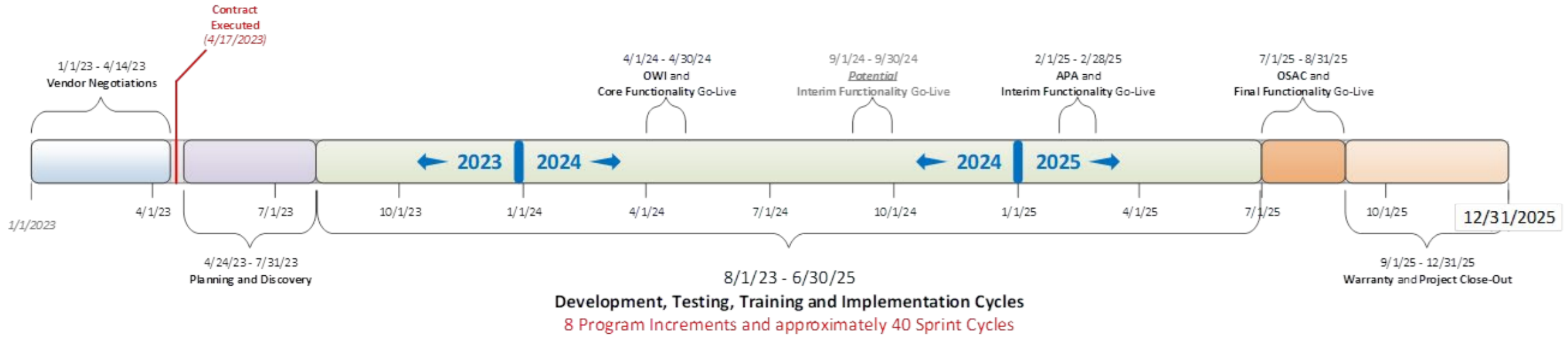
Work completed to date:

1. Initial review and discovery of all legacy data systems and sources (databases, spreadsheets, shared drives, etc.)
2. Identification and documentation of key data quality issues
3. Data clean-up on readily achievable data quality issues
4. Data discovery and source documentation transferred to Slalom
5. Began building the legacy data dictionaries
6. Data Governance is being stood up

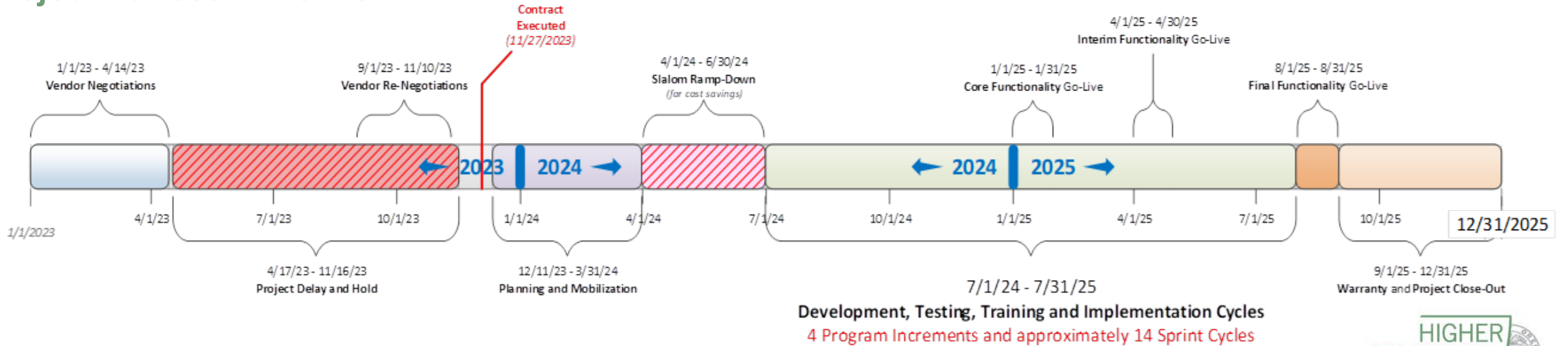
Completion of State CIO Stage Gate Endorsement Requirements

Stage Gate	Complete	Date
Stage Gate 1 - Initiation	✓	6/23/2022
Stage Gate 2 – Resource & Solution Analysis Planning	✓	7/14/2022
Stage Gate 3a (Mobilization Phase) – Implementation Planning	✓	11/16/2023
Stage Gate 3b (Implementation Phase) – Implementation Planning		Approx May/June 2024
Stage Gate 4 - Closing		Approx Dec 2025

Project Original Timeline



Project Revised Timeline



Assessment Area	1st Quarter 2023	Report for Oct 1–Nov 15, 2023	4th Quarter 2023
Project Management	High	Low	Low
Contract Conflict of Interest	High		Low
Organizational Change Management (OCM)	High	Low	Low
Budget Insecurity	High	High	Medium
Project Schedule	High	High	Medium
Resource Availability	High	Medium	Medium
Data Management	High	High	High

2023 Quarter 1, November Quality Assessment, & Quarter 4 Quality Assessment Recap of Risk Levels

IQMS Findings and Recommendations

“The HECC Modernization Project encountered several challenges over the 2023 calendar year that, for the most part, were successfully overcome. While Project Leadership addressed the challenges, they also directed the Project Team through activities that created an excellent foundation to support the execution phase, which began in December 2023. These foundational activities will significantly improve the Project's opportunity and ability to be successful.”

- From the NTT Data HECC Modernization Project 2023 Annual Assessment



Benefits from 8-Month Hold/Delay

✓ Improved
Communication &
Relationships

Enterprise Information
Systems

NTT Data (iQMS vendor)

DAS Statewide Quality
Assurance

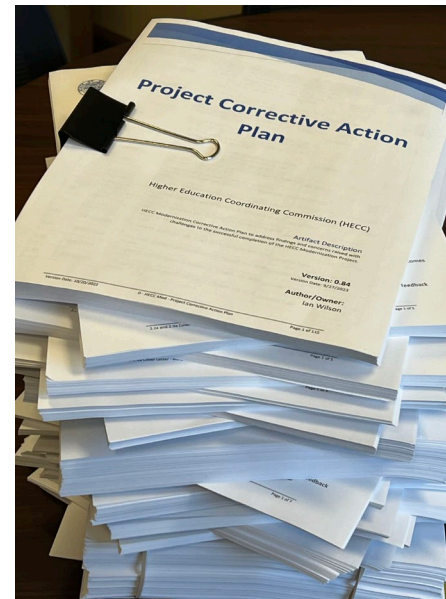
✓ Resolved Potential
Role and Procedural
Conflicts

Reporting Relationships

Internal IT Governance
Committee and Project
Steering Committee Roles

Better Project Phase
Definition (resolved
perceived conflict of
interest)

✓ Improved Planning
& Updated Project
Documentation



✓ Filled Critical Project
Team Roles

6 Business Analysts

3 Change Management
Specialists

1 Project Coordinator

Finalized Solution
Integration Contract

Potential Risks Associated with 8-Month Hold/Delay

✘ Increased costs incurred due to hold

- Project team fully staffed during hold
- Change Management engaged earlier than planned
- Contracting Costs for iQMS increased due to time extension
- Contracting Costs for Required Project Management Services increased due to hold

✘ Schedule Compressed

- Same amount of development must be completed in 41% of time
- Program increments reduced by 50%/Sprint cycles to 35%
- User testing period is shorter and begins before development is complete
- Move to single rollout from phased rollout will add complexity for OSAC, our most complex program

✘ Project Scope Reduced

- SI vendor will implement a “pause” between Phase 1 and Phase 2 because of extended timeline
- Full functionality may not be delivered
- May need to maintain shadow systems
- Failure to deliver on functionality could create system credibility issue

✘ Impact on Core HECC Services

- HECC program and IT staff must dedicate higher % of time to project
- Increased workload and stress for staff/managers
- Customer service and response times may suffer
- Using Agile development processes for first time on this project

Management Commitment—**Must Achieve Balance**



Good... *Losing functionality by limiting scope reduces overall value of project. Requires IT support and staff/customer use of four insufficient or failing systems instead of three.*

Fast... *The compressed schedule adds complexity and leaves no room for errors. Programs have “peak” seasons where rollout is not practical or even possible. If we miss our window of opportunity, specifically for FAMIS, it may mean needing to delay implementation a year until the next financial aid season.*

Cheap... *Project does not include built-in contingency or “slush” funds so delays or errors may be costly both in terms of overall budget and necessary trade-off decisions.*



3225 25th Street SE, Salem, OR 97302
www.oregon.gov/HigherEd

Questions or Comments about HECC Modernization?

Ramona Rodamaker
Executive Sponsor,
HECC Modernization Project

(503) 302-8442
Ramona.R.RODAMAKER@hecc.Oregon.gov

Shannon Donovan Johns
Project Director,
HECC Modernization Project

(503) 910-5917
Shannon.DONIVAN-JOHNS@hecc.Oregon.gov