

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



PERS Modernization Program Presentation to Joint Legislative Committee on Information Management and Technology

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Modernization Program



Agenda

1. Program Updates Since January 16, 2024
2. Modernization Strategy Overview
 1. Modernization Approach and Benefits Delivery
 2. Decision-Making Structures
3. Modernization Roadmap Overview
 1. Initiatives in Current and Upcoming Biennia
 2. Workstreams and Projects
4. Upcoming Activities and Immediate Priorities for 2023-25

Status Updates Since Budget Note Report

Program Updates Since January 16, 2024

- Received final independent Quality Management Services (iQMS) Initial Risk Assessment on February 12, 2024
 - ⑩ Currently in PERS deliverable acceptance process
- Finalized and/or executed two contracts for foundational work
 - **Enterprise Architecture Consulting Engagement:** executed February 6, 2024; work is expected to conclude by June 15, 2024
 - **jClarety System Assessment:** finalized February 9, 2024, execution pending contract signatures; work is expected to conclude by May 31, 2024
- Filled Administrative Specialist 2 position provided through 2023-25 budget on February 20, 2024
 - Application period for Electronic Publishing Design Specialist 3 closed on January 18, 2024

Modernization Strategy Overview

PERS Modernization Program Vision & Goals

Modernization Vision:

As PERS emerges from its 75th year as an agency, we recognize that we must reimagine how we evolve and deploy our business capabilities via our people, processes and technologies. This evolution is necessary to meet our member and employer needs into the future. Members and employers have a desire for more personalized and updated service delivery, such that they can be informed and interact and transact with PERS at the time of their choosing using the channel of their choosing. This reimagining of our service delivery model will be accomplished, in alignment with our Strategic Plan, via an overarching Modernization program that, ultimately, ensures that we are meeting those future stakeholder needs in the most effective and efficient means to do so.

Modernization Goals:



TRANSFORM BUSINESS PROCESSES — Provide a digital self-service experience for both members and employers



AUTOMATE PROCESSES AND CALCULATIONS — Automate processes and calculations, where possible, to improve efficiency and reduce risk



ENGAGE MEMBERS IN THEIR RETIREMENT PLANNING AND EDUCATION



INTEGRATE LINES OF SERVICE — Incorporate all benefit plans and functionality into one integrated system, including online services, for a seamless experience for members, employers and staff



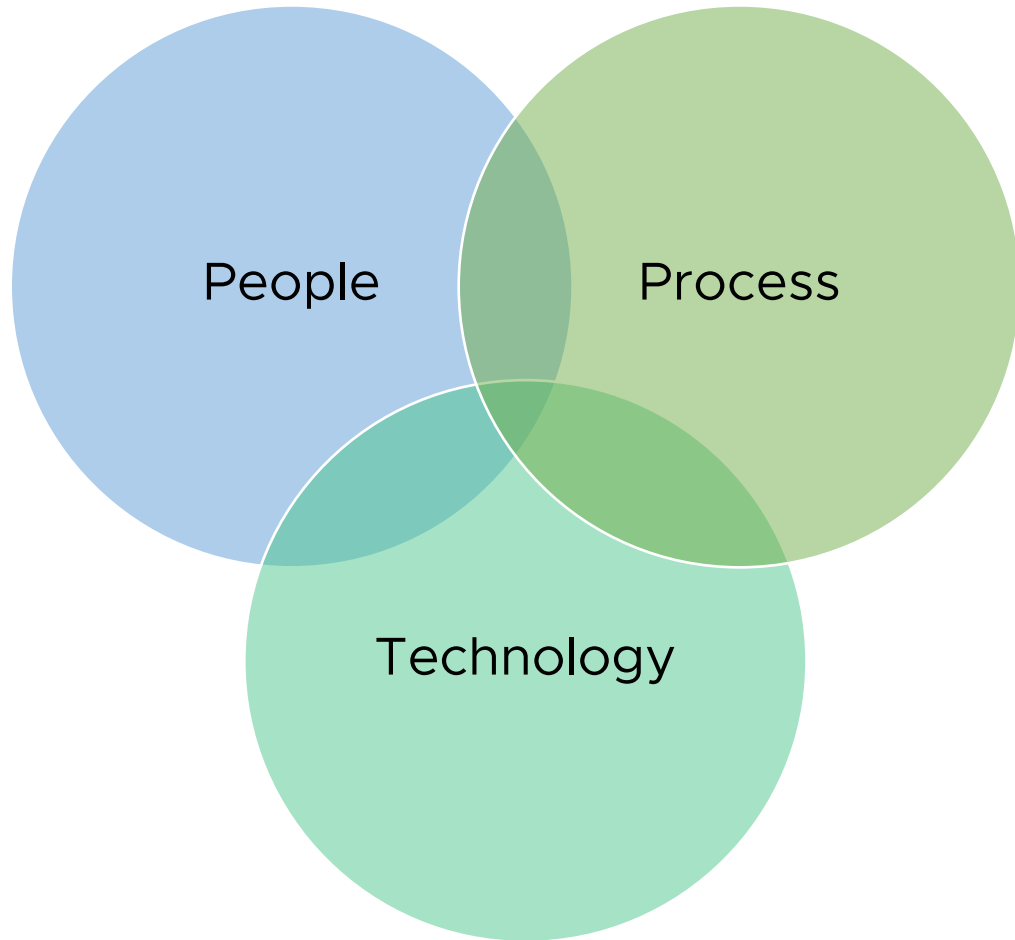
CREATE AN ADAPTABLE ENVIRONMENT — Build system on a platform which can be modified, in an efficient and cost-effective manner to reflect future needs and legislative changes



PROTECT MEMBER DATA — Ensure the confidentiality, integrity, availability and privacy of member and employer data are protected.

Operationalizing the PERS Modernization Vision

Equal parts people, process, and technology



People

Activities which will increase satisfaction with services, improve confidence in our technologies and improve skills of our staff

Process

Organizational improvements which enable streamlined work and eliminate manual processes and procedures

Technology

Consider opportunities to transform disparate technologies to a sustainable and integrated system

PERS Modernization Program Deliverable Benefits

The Modernization Steering Committee is going through a program benefit alignment exercise. Below are the draft benefits currently under consideration.

People Benefits

Increased satisfaction with PERS services

Increased PERS staff engagement

Improved confidence in PERS tools and technologies

Increased technical skills of staff

Process Benefits

Reduction of manual processes

Increased data utilization

Increased member engagement capabilities

Reduction of risk rating by internal and external auditors

Technology Benefits

Reduced system complexity

Reduction of costs for technology maintenance & enhancements

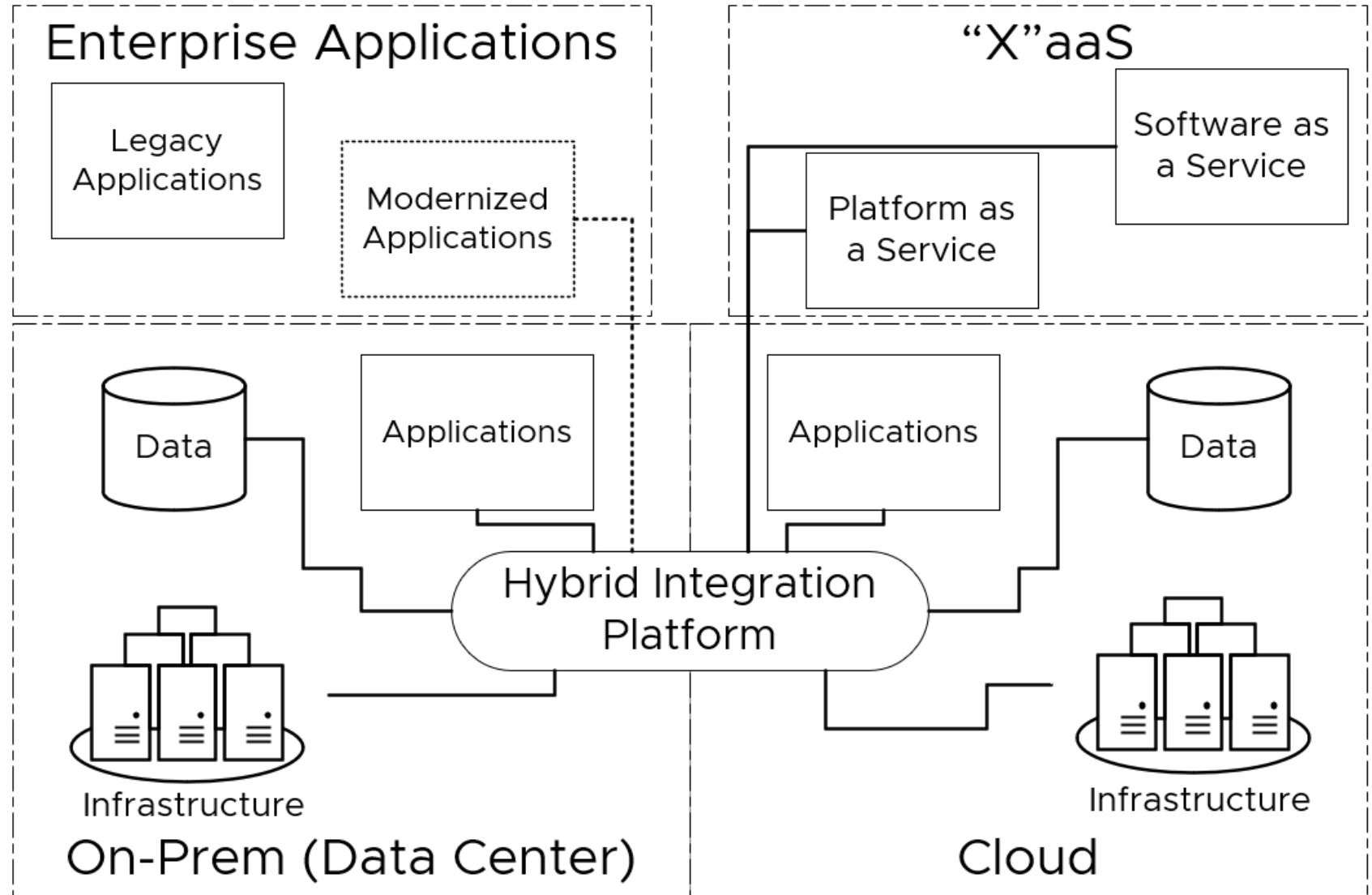
Reduction of system downtime

Reduction in data and identity fraud risks

Technology Modernization Approach

PERS' modernization approach centers on a hybrid integration platform that facilitates seamless connections between the agency's business-critical applications regardless of location.

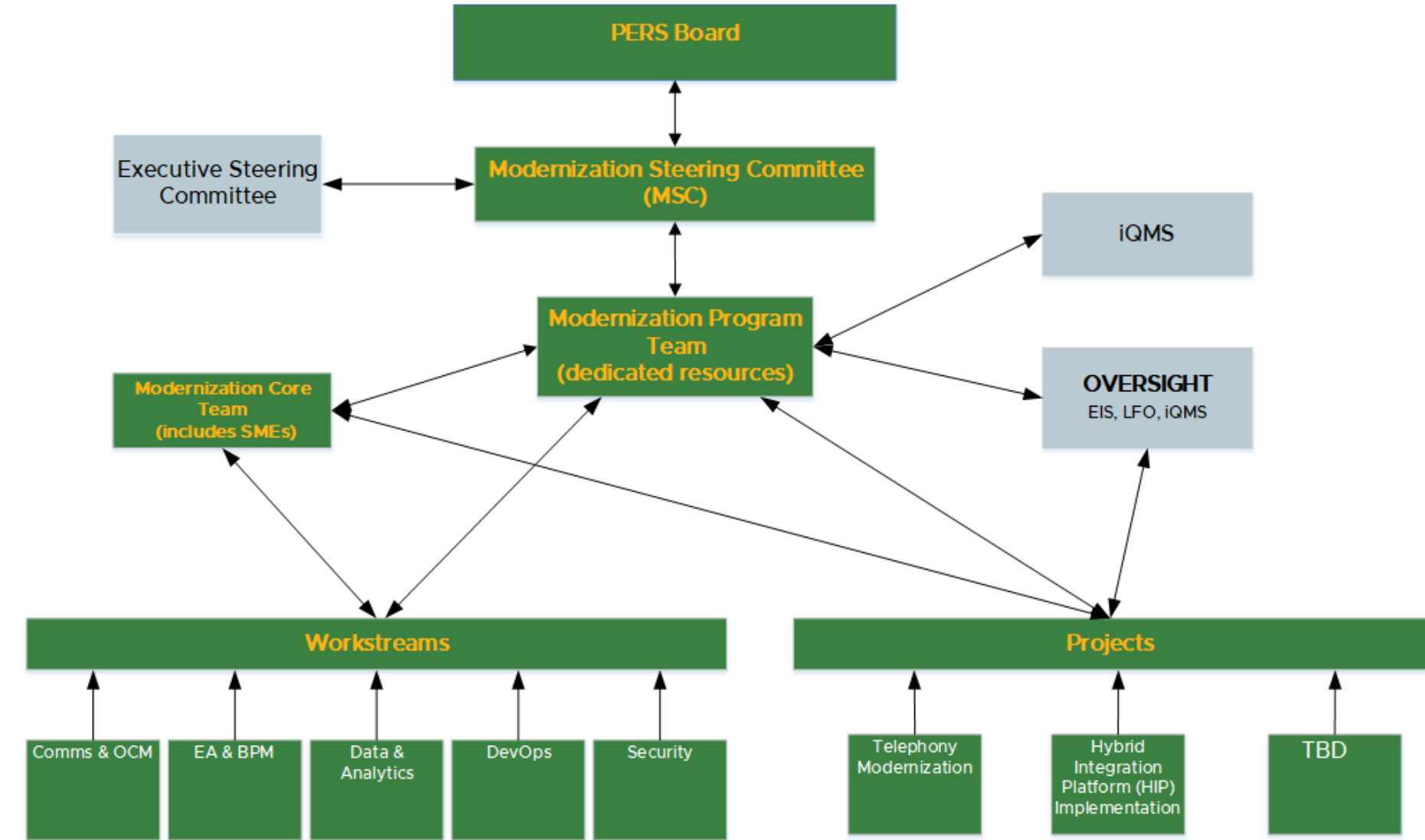
This approach allows PERS to integrate best-in-class applications and/or custom developed applications as appropriate to deliver the best business value to stakeholders.



PERS Modernization Program Governance

PERS has established program- and project-level governance structures as part of initiation activities.

The Modernization Program Team will focus on creating engagement opportunities for external stakeholders (including members, beneficiaries, and employers) as part of governance improvements later in the 2023-25 biennium.



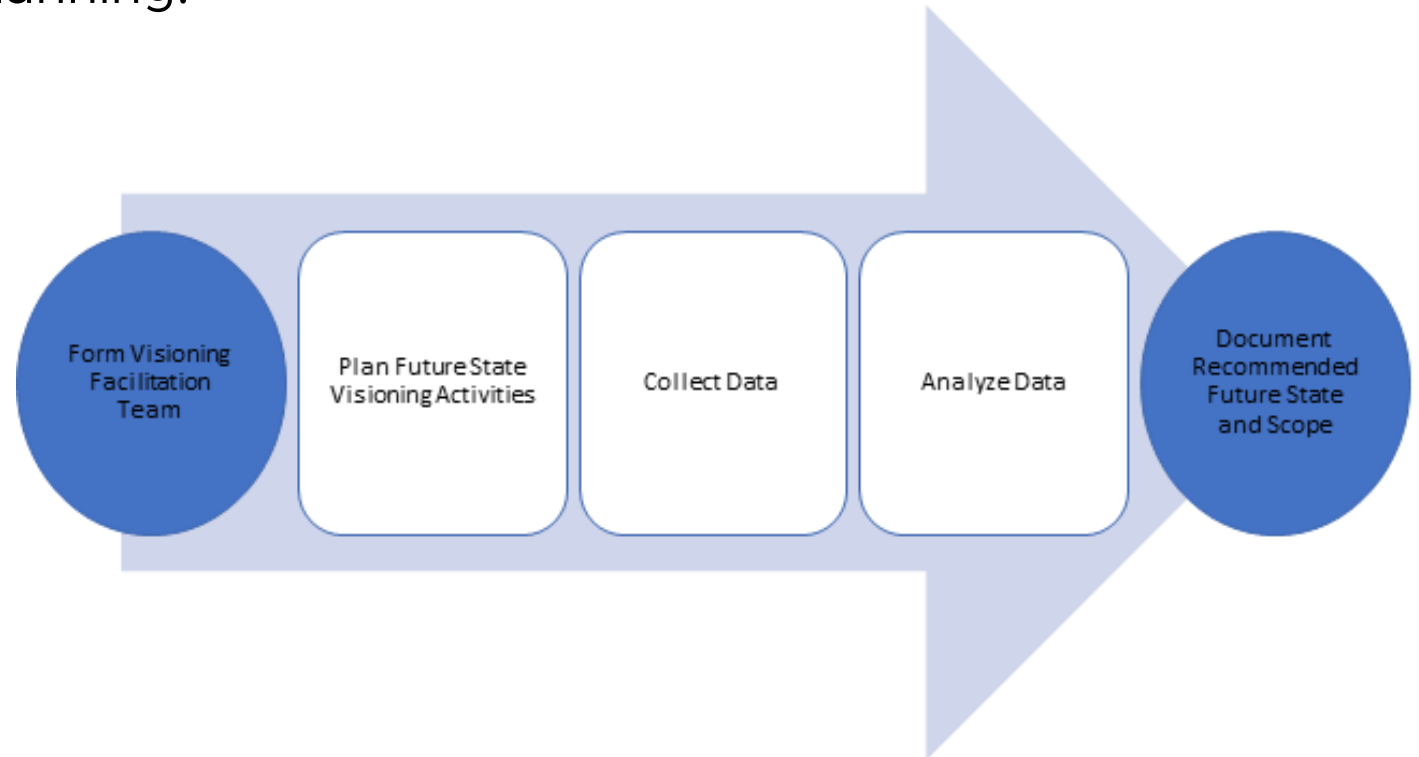
Future State Visioning

The PERS Modernization Program intends FSV to be **a process** that invites people to **get creative and imagine the possibilities** for a particular team, process, system, and/or objective; facilitators then take the information gathered and **apply any necessary constraints to figure out what is actually achievable** as part of program/project initiation and planning.

Facilitation Team:

- Product Owner (Lead)
- Enterprise Architect
- Business Process Mappers

Additional consultation with Program Team and Organizational Change Management resources.



Identifying Modernization Opportunities

Encouraging PERS staff and stakeholders to ask the question: Is the problem I'm trying to solve a potential opportunity for modernization through the Modernization Program?

What agency initiatives ***may become*** part of the Modernization Program?

- Delivery of one or more intended program benefits
- Addressing at least two of the three modernization areas (people, processes, technology)
- Innovation, transformation, rearchitecting, refactoring, some improvements
- New processes, technologies, and procurements

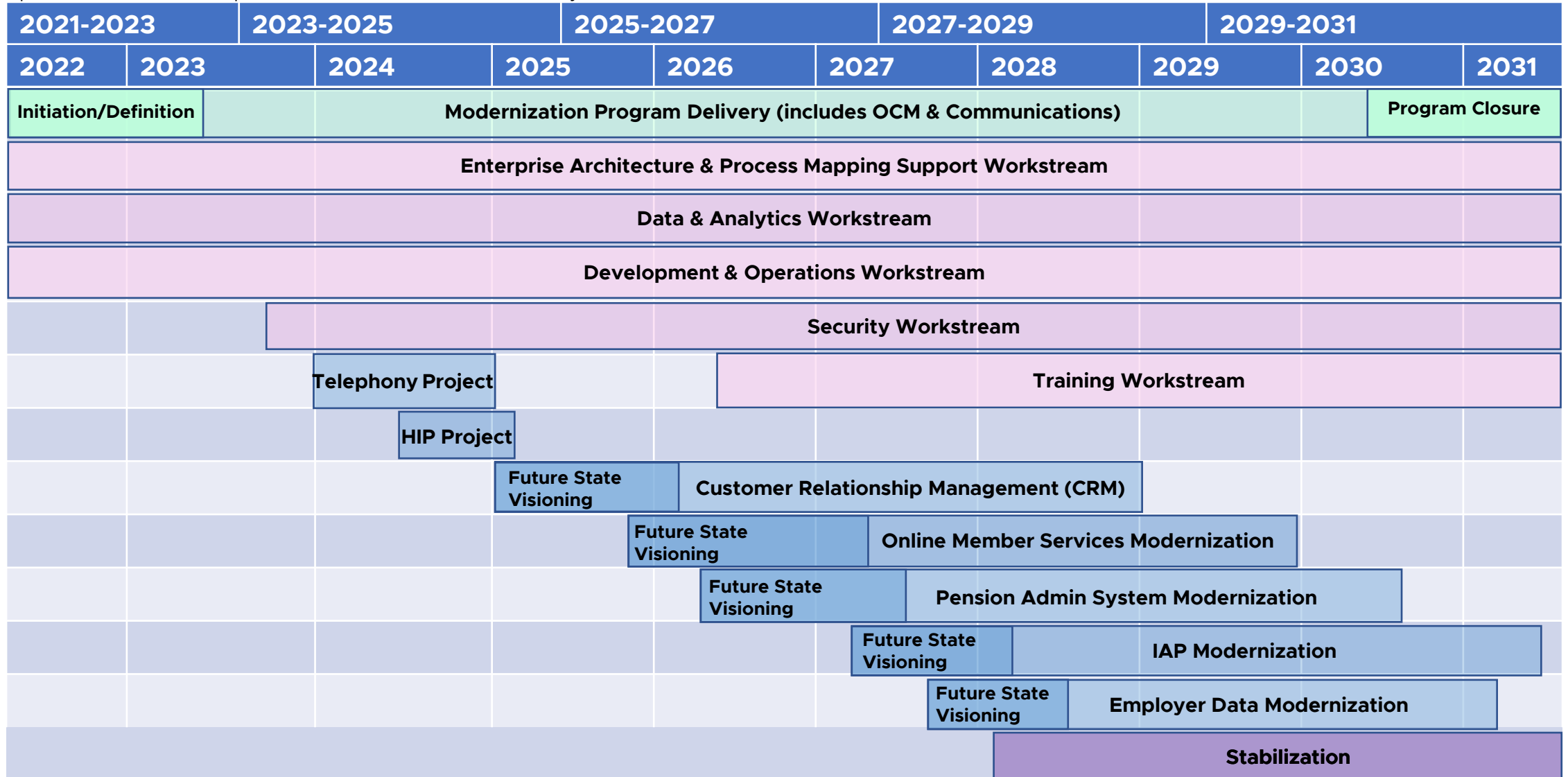
What initiatives ***are not*** part of the Modernization Program?

- Maintaining “business as usual” and existing ways of working
- Routine maintenance and upgrades to applications/systems
- Operations, minor upgrades, some “fixes”
- Renewals
- Changes to the PERS retirement system (rates, percentages, fees, etc.)

Modernization Roadmap Overview

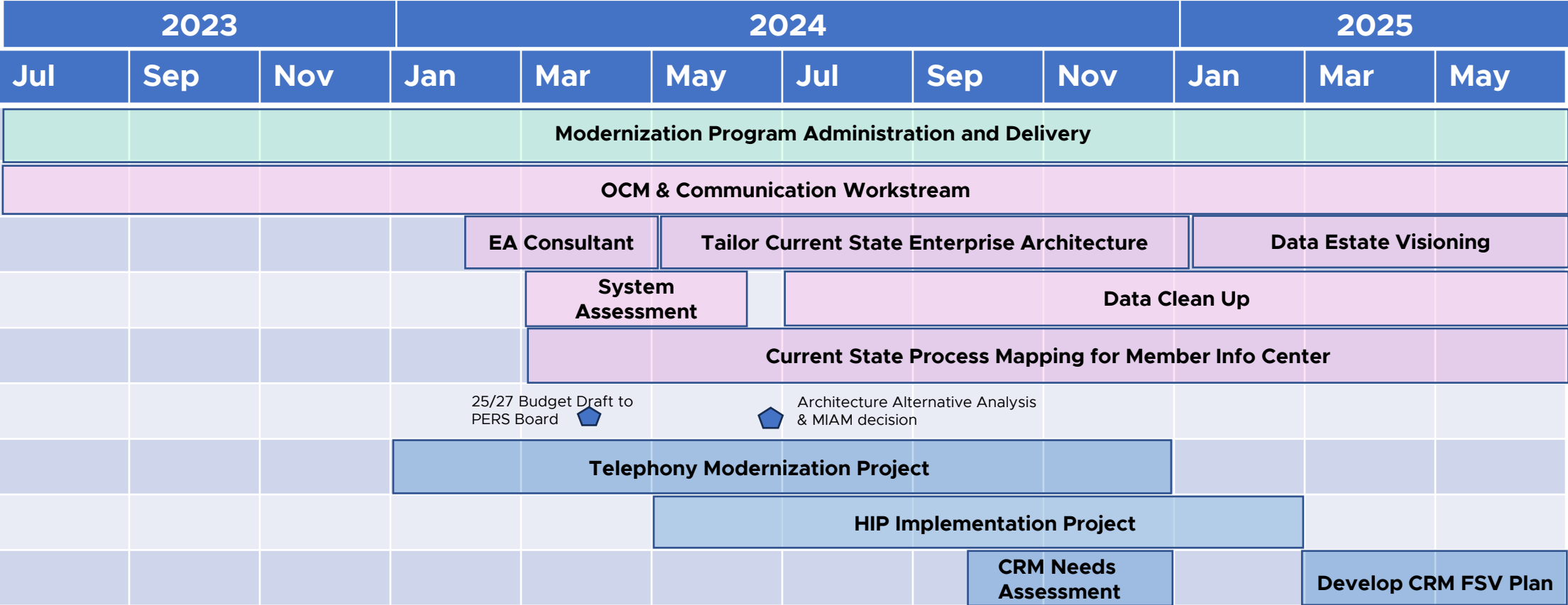
PERS Modernization Program Roadmap

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



Program Roadmap 2023 - 2025

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.



Telephony Modernization Project

Implement a cloud-based telephony system that can be integrated with capabilities delivered through future projects.



Current Stage: Initiation

Initiation Activities:

- Project Charter – In Progress
- Project Business Case - **Completed**
- High-Level Future State Visioning - **Completed**
- Statement of Architecture Work – In Progress

Upcoming Activities:

- EIS Stage Gate Process
- Requirements Development
- Solutions Analysis
- Vendor Selection
- Implementation Planning

Targeted Modernization Benefits*:

- Increased Satisfaction with PERS Services
- Improved Confidence in PERS Technologies, Applications, Tools and Data
- Majority of Service Offerings Available in Integrated System
- Increase in Self-Service Options
- Reduction of Manual Data Analysis
- Reduction of Costs for Technology Maintenance and Enhancements
- Reduction of System Downtime for PERS Staff and Members/Employers

* Modernization benefits are currently being revised by the Modernization Steering Committee through a program benefit alignment exercise.

Program Workstreams

The purpose of a workstream is to initiate and monitor ongoing program supporting activities by ensuring coordination between the PERS Modernization Program and other operational and governance bodies within the agency.

Workstreams are not projects in that they do not necessarily create a unique product/result and are not temporary. Workstreams may propose projects or identify resources that contribute to projects.

Workstreams currently established in the PERS Modernization Program are:

- Enterprise Architecture & Business Process Mapping Support (EA & BPM)
- Data & Analytics
- Development & Operations (DevOps)
- Security
- Communications & Organizational Change Management (OCM)

Upcoming Activities and Immediate Program Priorities

Upcoming Activities and Priorities for 2023-25

- **Program-level activities:**

- Budget reallocation request for remainder of 2023-25 budget
- Complete foundational consulting engagements by June 2024
- Revise and refine program business case to reflect outcomes of newly-available analysis and strategic decision-making processes
- Complete program benefits refinement and scope definition activities and documentation
- Establish risk mitigation strategies for risks identified in iQMS Initial Risk Assessment
- Complete hiring of new LD positions provided in 2023-25 budget
- Prepare detailed 2025-27 budget request

- **Project-level activities:**

- ***Telephony Modernization Project***: implementation and closure
- ***Hybrid Integration Platform Implementation Project***: initiation, implementation, and closure
- ***Customer/Client Relationship Management initiative***: engage consultant on strategy for CRM implementation; begin Future State Visioning process
- Engage with EIS on Stage Gate oversight process for individual projects

Program Budget Reallocation Request

Current Allocation

Program Staff	3,406,073
Client Relationship Mgmt	1,255,000
Data & Analytics	1,300,000
Development & Ops	1,102,000
Architecture	950,000
iQMS	950,000
Hybrid Integration Platform*	400,000
Telephony*	210,000
Total	9,573,073

Requested Reallocation

Program Staff	3,406,073
Client Relationship Mgmt	400,000
Data & Analytics	1,000,000
Development & Ops	560,000
Architecture	2,000,000
iQMS	1,200,000
Hybrid Integration Platform*	450,000
Telephony*	557,000
Total	9,573,073

* denotes executing projects expected to complete and close during the 2023-25 biennium

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THANK YOU



Appendix: Budget Reallocation Detail

Budget Stream Net Increases through Reallocation

Architecture

\$2,000,000

Net Change = +\$1,050,000

Allows for several items not completed in 2021-23 (iServer365/OrbusInfinity procurement, BPM consulting); adds a third party jClarety assessment this biennium

iQMS

\$1,200,000

Net Change = +\$250,000

Initial Risk Assessment and other early deliverables were not completed in 2021-23 biennium as expected in initial 2023-25 budget request; update also reflects final negotiated pricing in executed contract

Hybrid Integration Platform

\$450,000

Net Change = +\$50,000

Ensures sufficient funding for initial use case implementation, stabilization, and project contingency

Telephony

\$557,000

Net Change = +\$347,000

Includes implementation services costs, process improvements, stabilization, and contingency

Budget Stream Net Decreases through Reallocation

Client Relationship Management

\$400,000

Net Change = -\$855,000

Reflects constraints on CRM initiative kickoff due to SB1049 completion date; recognizes that PERS will only be conducting initial planning work this biennium beginning in early 2025

Data & Analytics

\$1,000,000

Net Change =-\$300,000

Reflects constraints on data infrastructure work due to SB1049 completion date; Enables substantial data clean-up effort and initial planning work for data estate project

Development & Operations

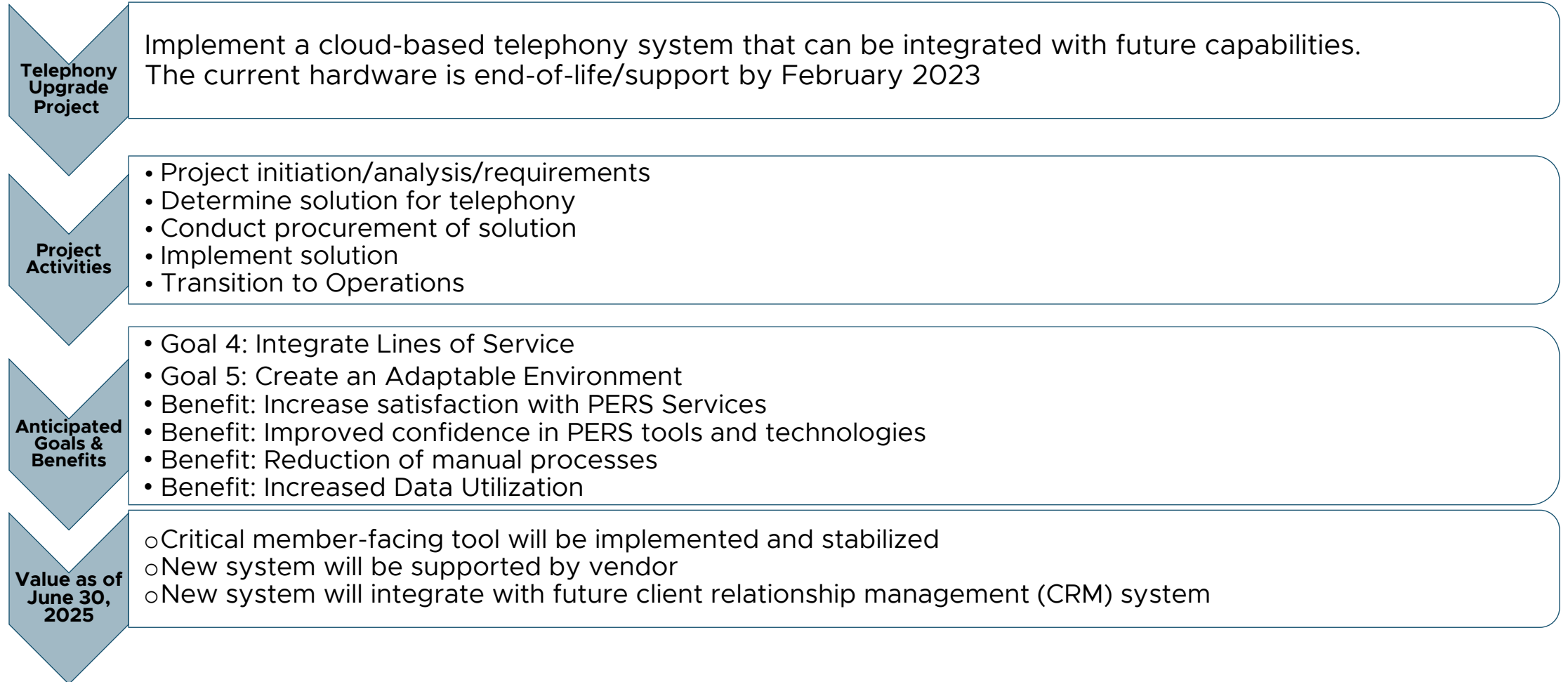
\$560,000

Net Change =-\$542,000

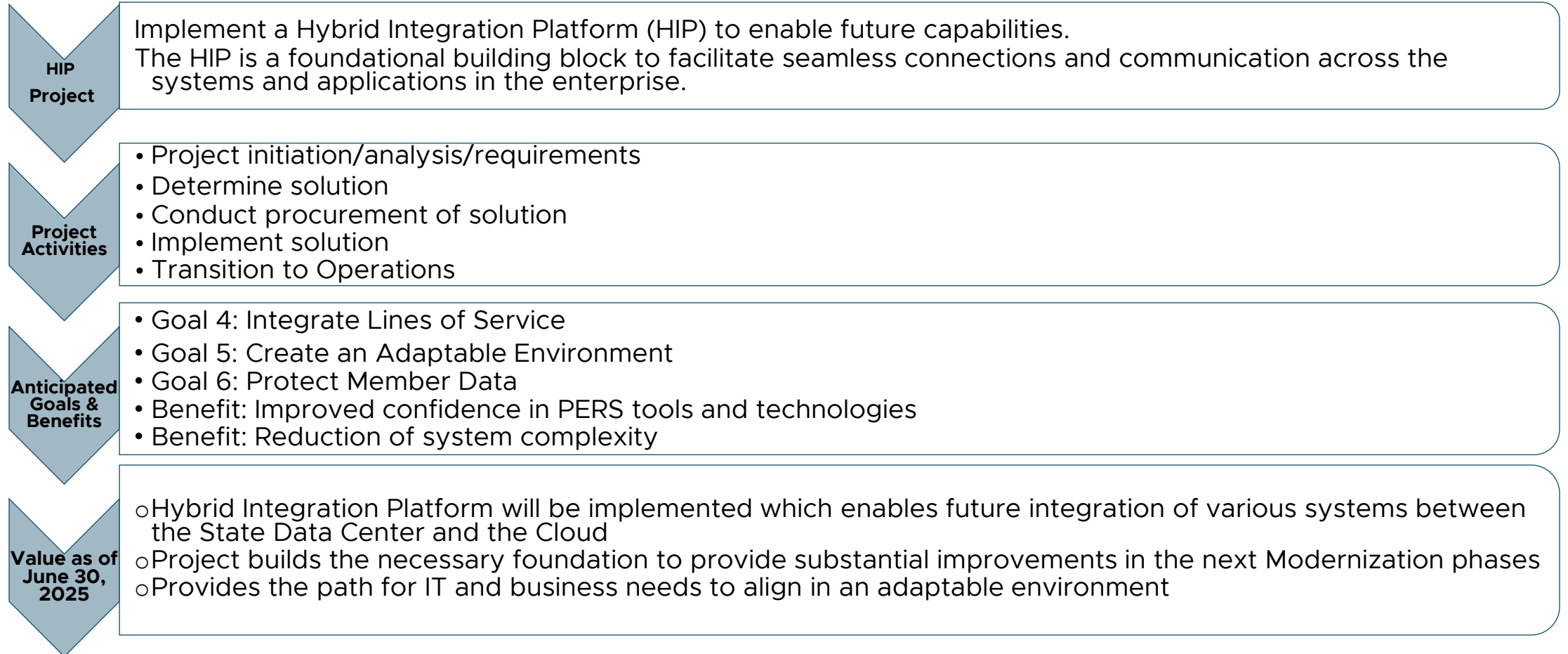
Reflects some technical debt assessment work shifting to Architecture stream; enables initial DevOps establishment work and planning for automated pipeline and testing processes and solutions

Appendix: Updates to POP 103 Activities

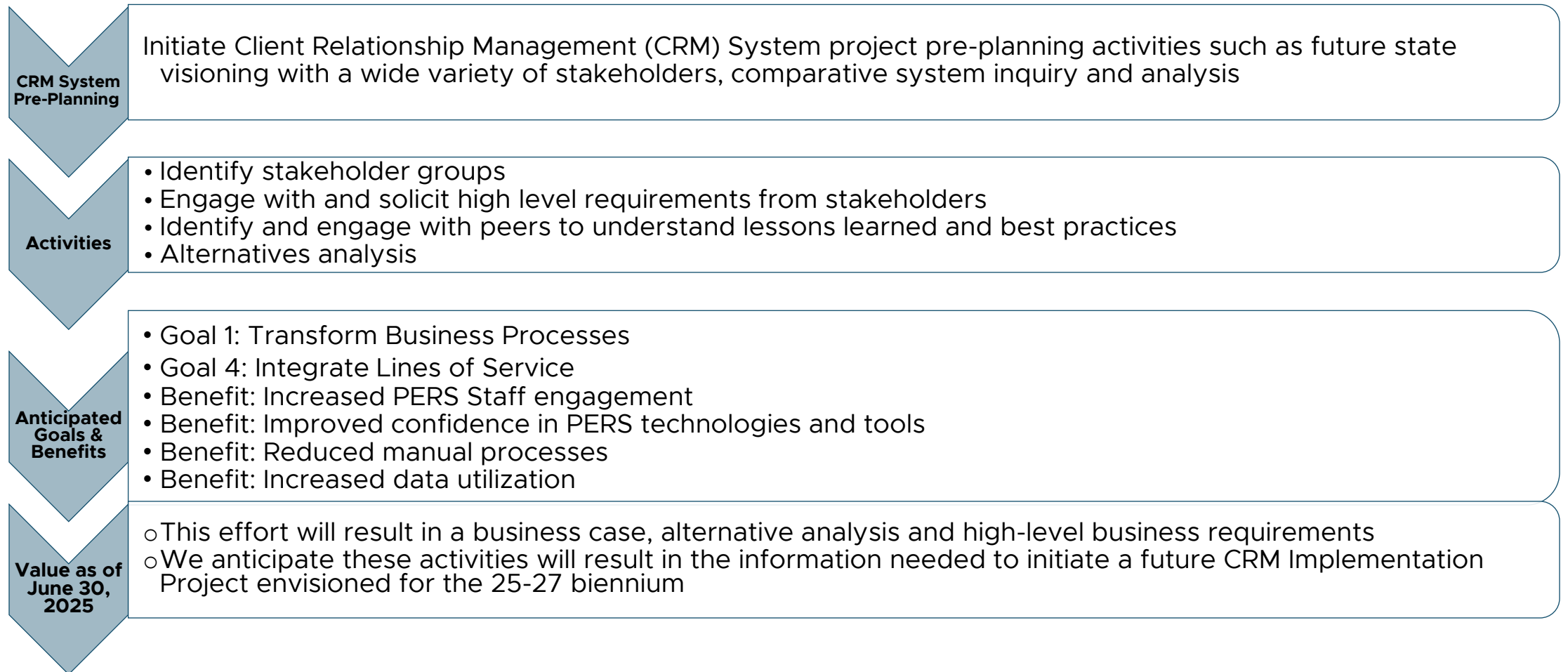
POP 103 Telephony Modernization Project



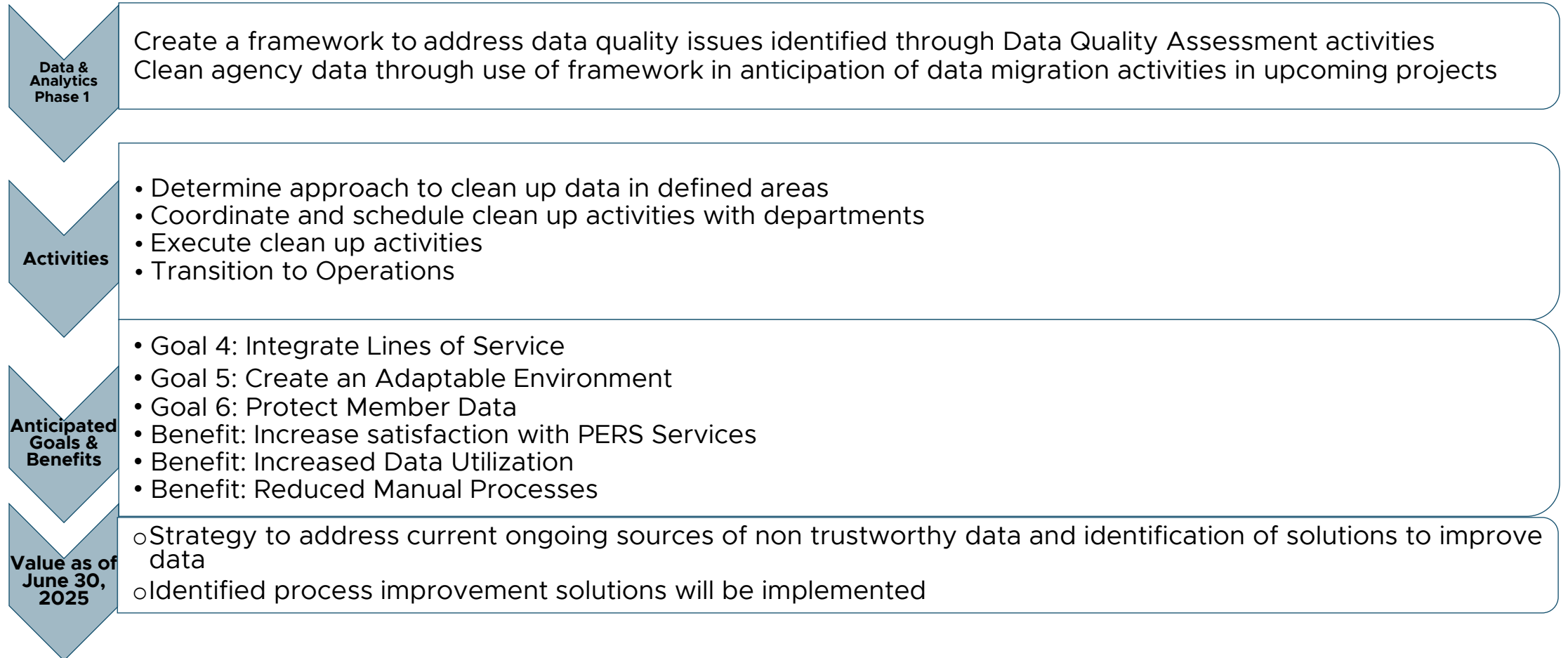
POP 103 Hybrid Integration Platform (HIP) Implementation Project



POP 103 CRM System Pre-Planning



POP 103 Data & Analytics



POP 103 DevOps

