

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Interim Joint Committee on Ways and Means General Government Subcommittee

Senate Bill 5534 - Budget Note Report PERS Modernization Program Progress

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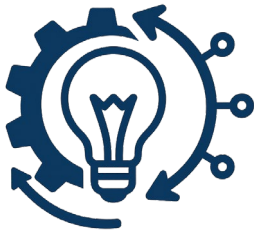
January 15, 2026

Modernization Program



PERS Modernization Program progress

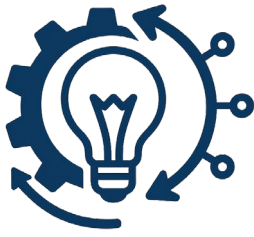
Current challenge



- Our current Pension Administration System (PAS), jClarety, is over 20 years old.
- Technical debt, limited flexibility, and manual processes have hindered the agency's ability to provide efficient and timely services for Oregon's 420,000 members and 900 participating employers. The Request for Information (RFI) identified other states with similar problems.
- We are not taking this journey alone. PERS is collaborating with other states, leveraging lessons learned and actively monitoring their progress.
- We acknowledge this is a risky project and are:
 - Following best practices to ensure we don't have any missteps.
 - Pursuing a slow and deliberate path.

PERS Modernization Program progress

Overview and background



PERS Modernization Program is a comprehensive agency-wide transformation, spanning multiple biennia, aimed at reimagining how we deliver services to members and employers while modernizing our technology and re-engineering our core business processes.

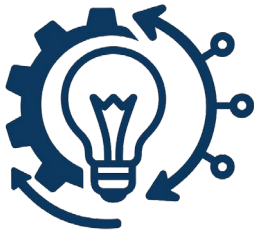
PERS is using a broad framework to determine the scope, and we are looking at everything.



PERS plans to transform its people, processes, and modernize its technology.

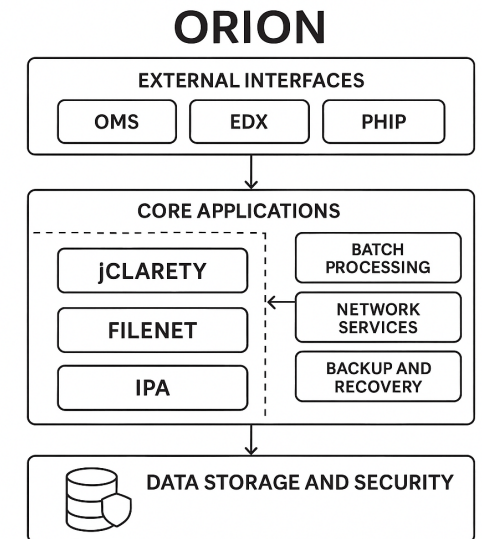
PERS Modernization Program progress

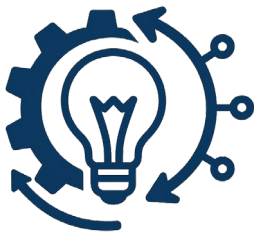
Overview and background



PERS Modernization versus ORION Modernization

- PERS rebranded in 2022 and the Program is now referred to as the PERS Modernization Program.
- ORION modernization only included technology and didn't include business processes and people (e.g., upskilling employees).
- ORION stands for Oregon Retirement Information Online Network and was created in 2004. It incorporates all of PERS' complex system of databases and applications.
 - Current PAS, jClarety (implemented in 2005)
 - FileNet
 - Call Center
 - Kofax
 - Central Data Warehouse
 - Batch processing
 - Network infrastructure
 - Data security
 - Disaster recovery

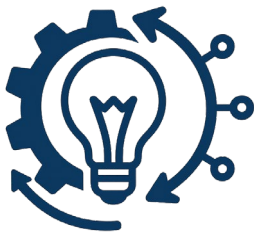




PERS Modernization Program progress

Options Analysis summary and strategic reset

- **January 2025:** PERS engaged a third-party vendor, Gartner, to develop an options decision framework to support the selection of a new Pension Administration System.
- **March 2025:** The program started to reset its modernization strategy after the new modernization director was hired.
- **June 2025:** Completed solutions analysis.
- **July 2025:** The PERS Modernization Program underwent a strategic shift and decided to purchase a commercial-off-the-shelf (COTS) solution versus updating its current Pension Administration System (PAS), jClarety. The options considered were:
 - Commercial-off-the-shelf (COTS)
 - Custom build a new Pension Administration System
 - Upgrade the existing system
- Given this decision, PERS plans to post a COTS PAS Request for Proposal (RFP) in early 2027.
- Gartner estimates that this transformation is expected to take approximately eight to ten years (2034) and will require integration across technology, operations, policy, and personnel.



PERS Modernization Program progress

Guiding principles and key program delivery components

Guiding principles:

1. Focus on the customer experience
2. Deliver core services first
3. Configure over customize
 - We plan to leverage the out-of-the-box functionality of the COTS system to the greatest extent possible to meet business needs.
4. Automate thoughtfully
5. Continuous improvement

Key program delivery components:

1. Deliverables-based contracts
2. Phased releases
3. Controlled funding releases

PERS Modernization Program progress

Scope, schedule, and budget



- The full scope, schedule and budget is indeterminate.
- PERS modernization is a major undertaking, and the Pension Administration System is our critical path within the modernization program.
- PERS does not have enough information to fully inform the Subcommittee today, but we DO have a plan in place to get you everything you need.
- PERS will partner with the Legislature throughout our slow and deliberate path (conservative approach).

PERS Modernization Program progress

Scope, schedule, and budget – Pathway to determinacy



- At this stage, PERS is gathering information and have several questions to work through before we can provide definitive answers.
- We are prepping for two RFPs, which is our focus for this biennium.
 - First RFP: Specialized Consultant to help write the second RFP – Post Quarter (QTR) 1 2026.
 - Second RFP: Commercial-off-the-shelf (COTS) Pension Administration System (PAS) vendor – Post Quarter (QTR) 1 2027.
 - The Request for Information (RFI) received 12 responses.
The result of this effort will help inform the Pension Administration System RFP.
- Once we have onboarded a PAS vendor, the chosen solution and the results from the fit-gap workshops will inform us of our future strategy, technology gaps and total budget.



PERS Modernization Program progress

Scope, schedule, and budget



Best practices and due diligence

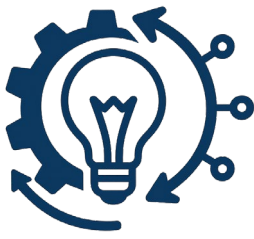
- Working with our oversight bodies:
 - Department of Administrative Services (DAS)
 - Enterprise Information Services (EIS)
 - Legislative Fiscal Office (LFO)
 - Independent Quality Management Services (IQMS)
 - PERS governance committee (the Modernization Executive Steering Committee or MESC)
- PERS is following best practices and doing its due diligence.
 - Incorporating lessons learned from other agencies and peers.
 - Monitoring other Pension Administration System endeavors.

PERS Modernization Program

Scope, schedule, and budget – Program highlights



- At this point of time, the scope and schedule has been defined through 2027.
 - On-scope, on-budget (bridge funding), and on-schedule.
 - Two roadmaps have been completed using a phased approach.
 - Modernization program business case has been finalized and approved by EIS.
 - Pension Administration System (PAS) business case has been submitted to EIS.
- Submitted an RFP to Department of Justice (DOJ) and EIS for a specialized consultant. This consultant will help us write the COTS PAS RFP.
- Foundational Architecture: Work order contract has been executed; one deliverable has been completed out of seven.
- Requirements Gathering has begun, and two business process mapping efforts have been completed:
 - 330 business process maps completed.
 - 15 journey maps (pension lifecycle processes) have been completed.
- Completion of Telephony Phase 1. Phase 2 is in progress.
- Data Cleaning Phase 1 completed.
- Making progress on the Technology Readiness and Legacy Stabilization Projects.
- Development Operations (Dev/Ops): completed technology assessment with consultant.



Modernization program overview and background

Next steps

After the strategic reset, additional planning resulted in the identification of new work efforts and personnel that require investment approval for the 2025-27 biennium:

Modernization Implementation

- RFP to hire a specialized consultant to write a Pension Administration System (PAS) Request for Proposal (RFP)
- RFP for a COTS PAS vendor

Technology Readiness and Legacy Stabilization

- Data Cleaning (Phase 2)
- Data Migration Planning
- DevOps Implementation

Program Office

- Additional contractors and personnel to support modernization activities

You will hear more about our future plans in our next presentation.

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Q&A

Thank you!



Appendix

PERS Modernization Program

Budget Note

Status report on the program's Joint Legislative Fiscal Office and DAS-EIS Stage Gate endorsement(s).

- Modernization Program Business Case has been approved by EIS. Once the Pension Administration System Vendor is onboarded during the 27-29 biennium, the business case will be updated to reflect any updates.
- Pension Administration System (PAS) Project: The PAS business case has been submitted to Enterprise Information Services (EIS).
- Telephony Modernization Project:
 - Stage Gate 1 Endorsement received on March 12, 2024, and Stage Gate 2/3 Endorsement received on January 30, 2025.
- Member Identity and Access Management:
 - Stage Gate 1 Endorsement received on August 8, 2025 and Stage Gate 2/3 Endorsement received on October 14, 2025.
- jClarety UI/UX Modernization and Compliance Project (JUMP):
 - Stage Gate 1 Endorsement received on August 8, 2025 and Stage Gate 2/3 Endorsement received on October 14, 2025.

PERS Modernization Program

Budget Note

Results of the contracted Solutions Analysis Framework and the agency's recommended path forward for the Modernization Program.

Strategic Reset and Solutions Analysis Framework:

- PERS started its analysis in January of 2025 and concluded in July of 2025.
- Options considered:
 - Commercial-off-the-shelf (COTS)
 - Custom build a new Pension Administration System
 - Upgrade the existing system
- After evaluating cost, functionality, and speed to deliver, the PERS Executive Leadership Team (ELT) and the MESC decided on July 2, 2025, to proceed with a COTS pension administration system using a phased implementation approach. Gartner, LFO and EIS attend MESC meetings.

Procurement:

- RFI posted and closed on October 31, 2025. 12 responses were received.
- Consultant RFP: Currently under review by DOJ and EIS.

Modernization Program

Budget Note

Independent quality control reviews of the Modernization Program's solutions analysis and any associated business case update.

Overall Summary from the latest quarterly report:

- Gartner approved of the current strategy to purchase a commercial-off-the-shelf pension administration system.
- Overall health:
 - 49 are in a Green status (60.5%)
 - 26 are in a Yellow status (32%)
 - 6 are in a Red status (7.5%)
 - 6 were not measured
- The risks identified are currently being addressed.

Three key strengths:

- Completion of Alternative Analysis
- Completion of Telephony – Phase 1 (July 14, 2025)
- Business Process Mapping Efforts

Risks:

- Shifting and evolving modernization strategy.
- The program is focused on planning for the Pension Administration System (PAS) activities which comprises only a portion of the necessary planning that needs to be done for the biennial roadmap.
- Execution of program projects are limited by availability of skilled Project Managers with technical project experience.
- DAS, EIS, and DOJ cooperation are needed to meet procurement timelines.
- Completion of the foundational program elements (roadmaps and business cases).

PERS Modernization Program

Budget Note

FY 2025-2034

Summaries of all updated foundational program documentation.

- Foundational program documentation:
 - Requirements and pain points are in process of being gathered and documented.
 - Business Process Mapping: PERS has been creating journey maps which document the pension lifecycle processes (i.e., preretirement, new employment, divorce, and more). 15 journey maps have been completed.
 - 330 business process maps have been completed.
 - Architecture diagrams are in process (e.g., network and system diagrams). One out of the seven deliverables has been completed. Two are in process and the last deliverable is expected to be completed by July 2026.
- Development Operations (Dev/Ops)
 - Consultant completed technology assessment and provided recommendations.

PERS Modernization Program

Budget Note

FY 2025-2034

Status of the implementation of 2026 legislative investments in the modernization program, including the hiring of authorized positions and standing up the Core Retirement System Applications Program Office.

Core Retirement System Applications Program Office for Project Management and Administration. This component creates program execution capacity for the PERS Modernization Program Office and continues ongoing investments towards the modernization of the ORION Pension Administration System. This includes the following positions, as well as \$280,000 in associated services and supplies:

Number	Positions (14)	Status
Modernization		
1	Operations and Policy Analyst 3	Position posted
2	Information Systems Specialist 8	In recruitment
1	Operations and Policy Analyst 4	In recruitment
3	Project Manager 3	2 – Filled (December 2025) 1 – Position reposted
1	Principal Executive / Administrator 1	Filled
1	Operations & Policy Analyst 3	Filled
2	Project Manager 2	Filled
1	Procurement & Contract Spec. 3	Filled

PERS Modernization Program

Budget Note

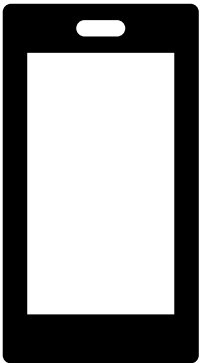
FY 2025-2034






Additional information related to the Modernization Program for which will assist the Legislature in understanding the agency's revised plan for the Modernization Program.

See the following slides for project statuses.

Telephony Modernization Project

Project summary: Implement a modern telephony system that can be integrated with future capabilities.



Overall Health	Scope	Schedule	Resources	Budget	Quality
AMBER					

Current stage: Execution ▲

Phase 2 end date: March 2026
Phase 3 and 4 end date: June 2027

Highlights:

Upcoming activities:

- Phase 1 completed on July 14, 2025.
- Phase 2 is in progress. Completed gathering requirements, design sessions and development. User Acceptance Testing has begun.
- Stage-gate 2/3 received on January 30, 2025.

- Analysis and high-level requirements gathering for Phase 3 & 4.

Project supports the following PERS Modernization Program benefits:

Increased satisfaction with PERS services

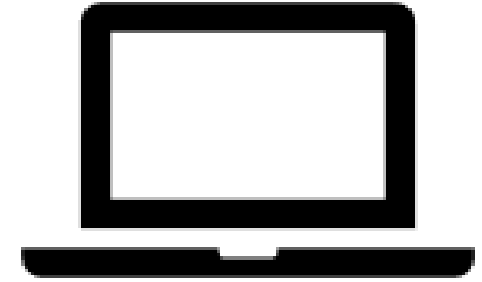
Reduction of manual processes






Increased data utilization

JUMP

jClarety User Interface/User Experience (UI/UX) Mod & Compliance Project

Project summary: Improve user experience by updating the member, employer, and third-party self-service portals to meet Americans with Disabilities Act (ADA) compliance and security requirements.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Current stage: Execution ▲

Highlights:

- User Acceptance Testing started on January 13, 2026.
- On track to meet the ADA Compliance deadline date of April 2026.
- Stage Gate 2/3 endorsement received October 10, 2025.

Phase 1 end date: April 2026

Upcoming activities:

- Work Package #1:
 - User Acceptance Testing is set to complete before the end of the month.
 - Deployment is scheduled for April 9, 2026.
- Work Package #2, phase 2, to begin.

Project supports the following PERS Modernization Program benefits:

Increased satisfaction
with PERS services

Increased confidence
in PERS tools and
technologies

Prevention of data
and identity fraud

Member Identity Access Management (MIAM) Project

Project summary: Upgrade the current member identity access management system to continue to protect our members data.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Current stage: Execution ▲

Project end date: December 2026

Highlights:

- Identity Protection (IdP)
 - Dependent upon the technology that is being implemented in the JUMP project (work package #2).
- Identity Verification (IdV):
 - A vendor has been selected, and a contract is in process with DOJ and DAS.
- Stage Gate 3 endorsement received July 18, 2023.

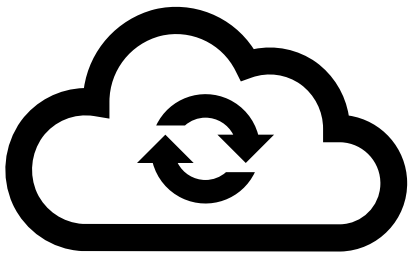
Upcoming activities:

- Personal Services Contract to support the MIAM implementation.
- Completed contract with chosen IdV vendor.

Project supports the following PERS Modernization Program benefits:

Hybrid Integration Platform (HIP) project

Project summary: Acquire and implement a cloud-based HIP solution. HIP will enable organizations to connect applications, automate workflows, and synchronize data across systems without needing to build custom integrations.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Current stage: Pre-initiation ▲

Project end date: TBD

Highlights:

- Two foundational current state architecture documents are in the recently completed work order contract (#0005413). The documents are expected to be completed in April 2026.

Upcoming activities:

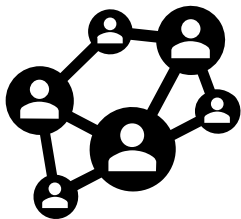
- Submit project charter and business case to Enterprise Information Services (EIS).
- Engage with EIS on oversight requirements.

Project supports the following PERS Modernization Program benefits:



Pension Administration System (PAS) Modernization

Project summary: Document current state architecture and business processes to support the development of business requirements and plan for a new pension administration solution.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Current stage: Pre-initiation ▲

Project end date: 8 to 10 years (2034)

Highlights:

- Request for Information (RFI) posted and closed on October 31, 2025. 12 responses were received.
- Request for Proposal (RFP) for a Specialized Consultant:
 - Submitted to DAS Procurement Services on October 10, 2025.
 - DAS Procurement Services assigned a resource, and first meeting was held on November 6, 2025.
 - EIS and DOJ are currently reviewing the RFP.

Upcoming activities:

- Obtain Project Stage Gate 1 approval from EIS.
 - Business case submitted to EIS on November 21, 2025.
- Requirements gathering sessions for current state started on November 3, 2025.

Many requirements will be documented and used to develop the PAS RFP.

Roadmaps

Modernization

Program Roadmap

High-level iterative timeline

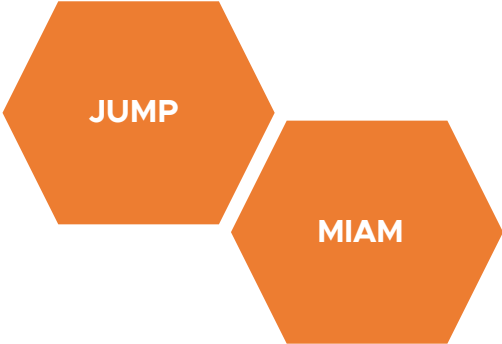
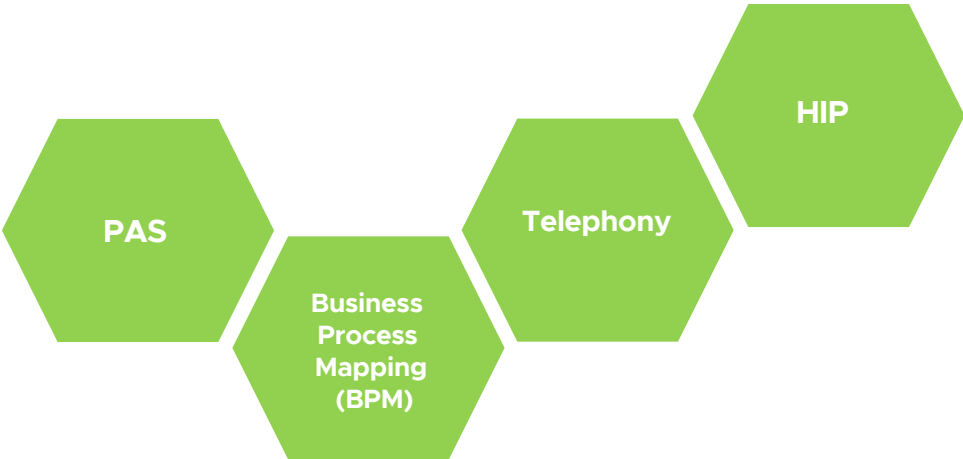


PERS Modernization Program Roadmap

Modernization | Core Pension Administration System (PAS) Projects

Tech Readiness and Legacy Stabilization

Stabilizes the system for an extended modernization timeline, which includes new features that are required for jClarety to continue to run, while also addressing security gaps and compliance issues.

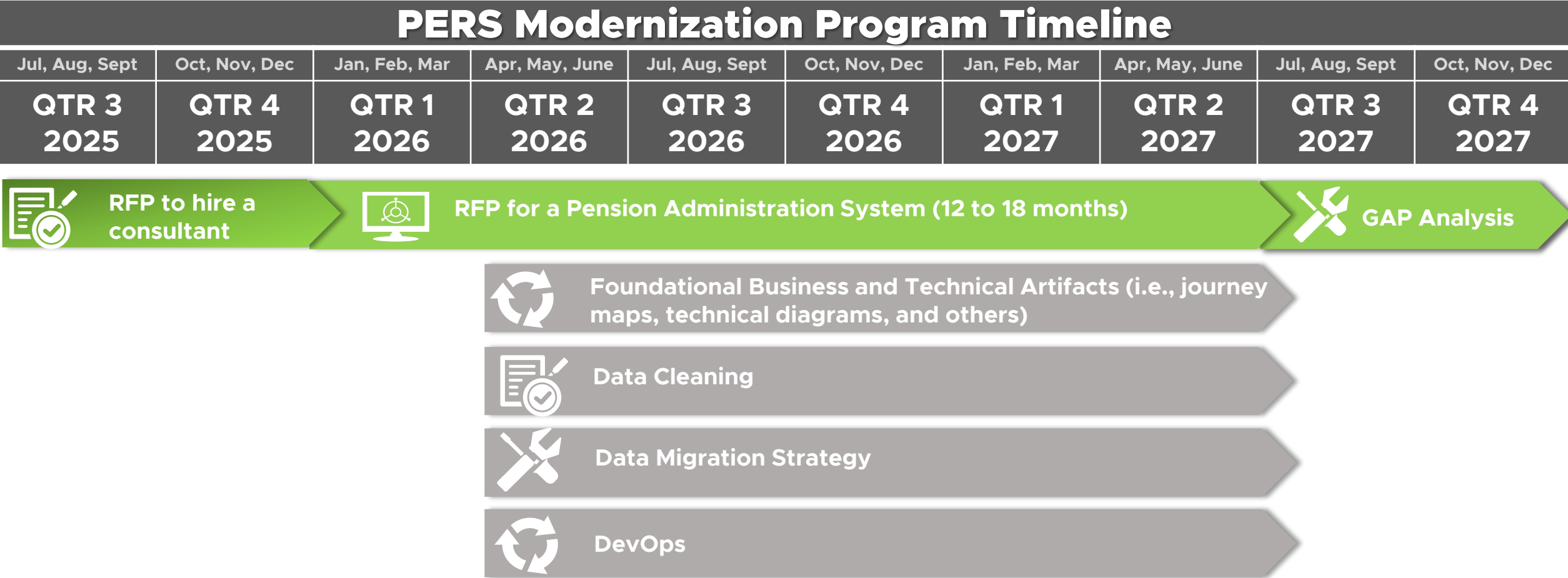


Legend

- Modernization - In progress
- Legacy Stabilization – In progress

Modernization Program

High-level iterative timeline through 2027



2025-27 Budget status

Modernization Program

Approved 25-27 Budget (bridge funding plan)

2025-27							
	Project Title	LAB	Actual to Date	Contracts	Projections	Total	Variance
1	Program Staff	4,100,071	605,681	-	3,990,787	4,596,468	(496,397)
2	IQMS	1,000,000	73,345	1,121,210	291,945	1,486,500	(486,500)
2	HIP	500,000		122,366	375,000	497,366	2,634
2	Telephony	1,500,000	-	35,142	1,275,000	1,310,142	189,858
2	TCO Analysis	25,000			18,750	18,750	6,250
2	Contingency (Mod)	178,000			-	-	178,000
2	MIAM	530,000			397,500	397,500	132,500
3	Foundational Architecture Documentation	1,930,000	8,704	652,586	965,000	1,626,290	303,710
3	JUMP-Jclarety UI/UX	3,705,000	400,790	2,797,530	370,500	3,568,820	136,180
3	MIAM (Forgerock-Dues & Sub)	735,280	271,138	12,082	441,168	724,388	10,892
3	Contingency (Legacy)	318,500			-	-	318,500
	Project Total	14,521,851	1,359,658	4,740,916	8,125,650	14,226,225	295,626

2025-27							
	Approved Appropriation	LAB	Actual to Date	Contracts	Projections	Total	Variance
1	Program Staff	4,100,071	605,681	-	3,990,787	4,596,468	(496,397)
2	Implementation	3,733,000	82,049	1,270,014	2,358,195	3,710,258	22,742
3	Legacy Stabilization & Technology Readiness	6,688,780	671,929	3,470,902	1,776,668	5,919,498	769,282
	Project Total	14,521,851	1,359,658	4,740,916	8,125,650	14,226,225	295,626