Presentation to the Joint Interim Ways and Means
Subcommittee on Human Services

Mainframe Modernization update

Rob Kodiriy | Chief Financial Officer, Oregon Department of Human Services (ODHS)

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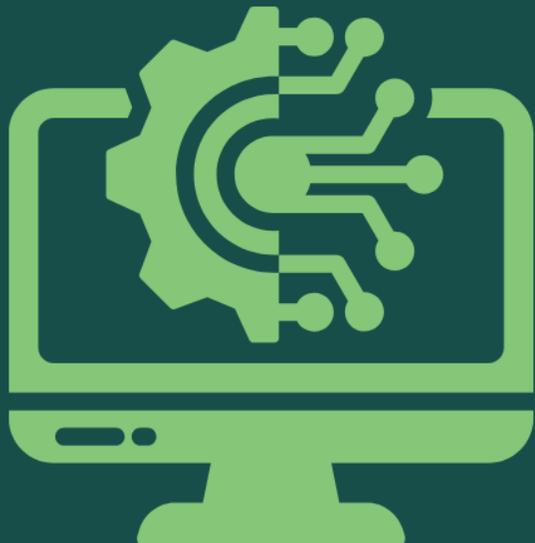**Debbie Estabrook** | Chief Information Officer, ODHS | OHA

Shawn Jacobsen | Controller, ODHS | OHA

Simon Hayes | Chief Technology Officer, ODHS | OHA

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Project importance

Payments to more than one million Oregonians pass through the state's mainframe.

Migration to a cloud-based platform is necessary to prevent major payment and service breakdowns.

Why now?

- ODHS and OHA use some of the **newest and oldest technologies** in Oregon.

- Some code on the mainframe is **over 50 years old**, and all of it is unique to Oregon.

- Half of the mainframe team are **eligible to retire** within five years.

- Oregon and ODHS/OHA have strategies that emphasize **keeping technology modern and up to date.**
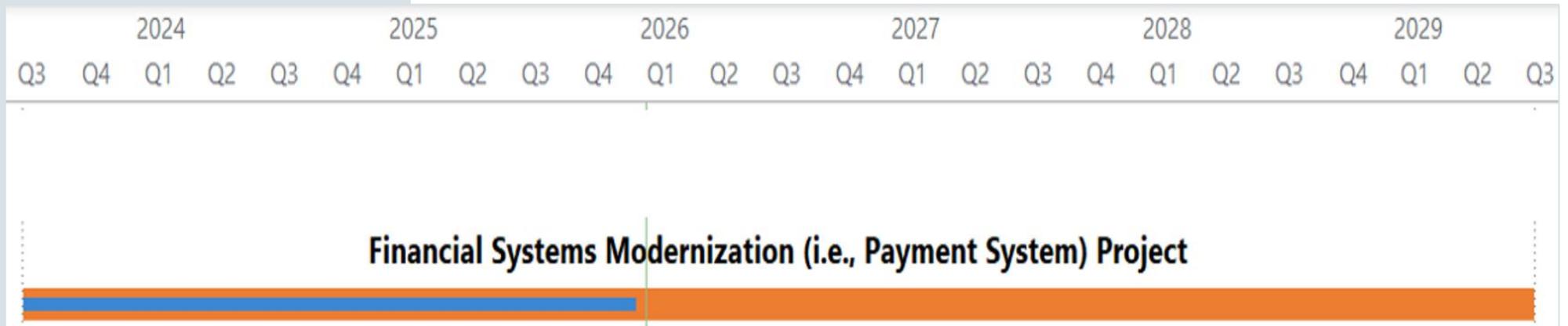
Three independent areas of work

1.
Financial systems modernization
to secure payment delivery by the end of the 2027-29 biennium

2.
Benefits eligibility

3.
Remaining applications

2024		2025				2026				2027				2028				2029		
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3

Financial Systems Modernization (i.e., Payment System) Project

Financial systems modernization

A **modern financial system** securely streamlines processes to ensure timely payments and meaningful assistance for providers and those who depend on critical services.

What it is:

- Efficiency and compliance driven

- Integrated with the Statewide Financial Management Application (SFMA)

What it is not:

- Just a technology upgrade

- A standalone solution

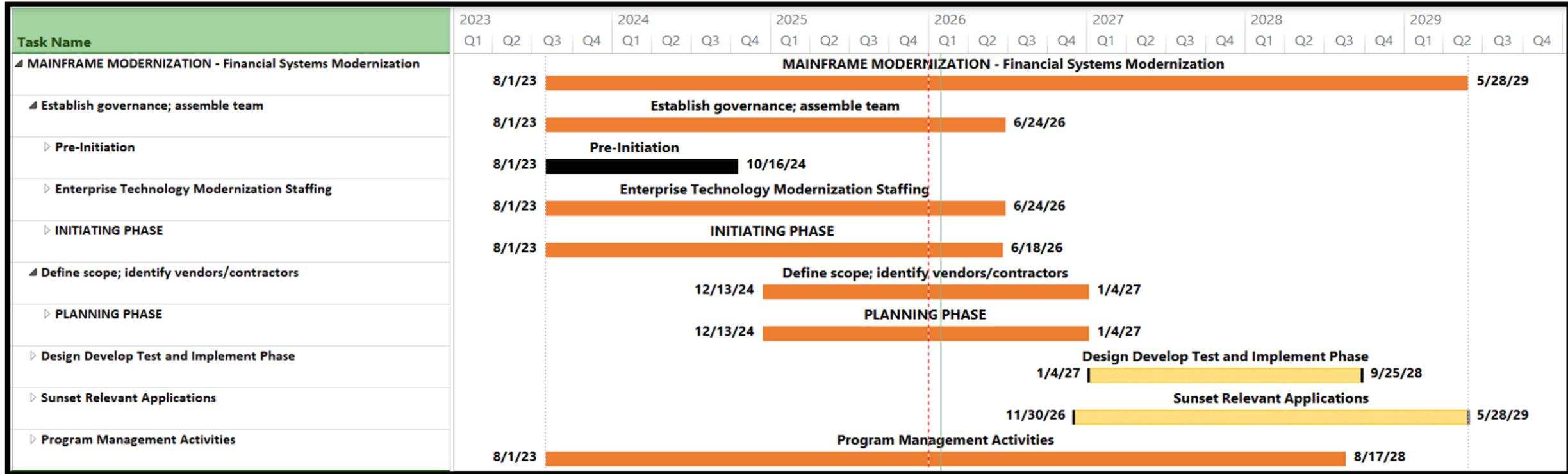- A short-term fix

- Only about compliance

Mainframe migration investments

2023-25						
	GF	OF	FF	Total	POS	FTE
OHA total	1,985,589	4,229,090	1,088,537	7,303,216	21	14.50
ODHS total	2,958,687	880,474	1,991,334	5,830,495	10	7.14
Enterprise total	**4,944,276**	**5,109,564**	**3,079,871**	**13,133,711**	**31**	**21.64**

2025-27						
	GF	OF	FF	Total	POS	FTE
OHA total	734,146	5,951,252	223,773	6,909,171	0	0.00
ODHS total	2,207,438	407,237	3,617,997	6,232,672	6	4.50
Enterprise total	**2,941,584**	**6,358,489**	**3,841,770**	**13,141,843**	**6**	**4.50**

Note: Investment numbers are based on 2023-25 and 2025-27 POPs

Financial systems modernization: High-level timeline

Task Name	2023	2024	2025	2026	2027	2028	2029
◢ MAINFRAME MODERNIZATION - Financial Systems Modernization	8/1/23						5/28/29
◢ Establish governance; assemble team	8/1/23			6/24/26			
▷ Pre-Initiation	8/1/23	10/16/24					
▷ Enterprise Technology Modernization Staffing	8/1/23			6/24/26			
▷ INITIATING PHASE	8/1/23			6/18/26			
◢ Define scope; identify vendors/contractors		12/13/24			1/4/27		
▷ PLANNING PHASE		12/13/24			1/4/27		
▷ Design Develop Test and Implement Phase					1/4/27	9/25/28	
▷ Sunset Relevant Applications				11/30/26			5/28/29
▷ Program Management Activities	8/1/23					8/17/28	

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Key project accomplishments

Strengthening our team

Hired subject matter experts to ensure accurate and timely modernization, reduce risk, and accelerate service delivery

Understanding Systems Through a Human Lens

Conducted a **comprehensive review of legacy systems** to uncover duplicate work, improve reliability for staff and clients, and ensure taxpayer dollars are used responsibly

Planning with Purpose

Worked with experts to create financial modernization **strategy that ensures uninterrupted access to services** while delivering more adaptable and efficient systems

Equipping Teams with the Right Tools

Invested in modern tools like **Azure DevOps and IBM Application Discovery Intelligence** to help teams better understand requirements and legacy systems

Guiding our work
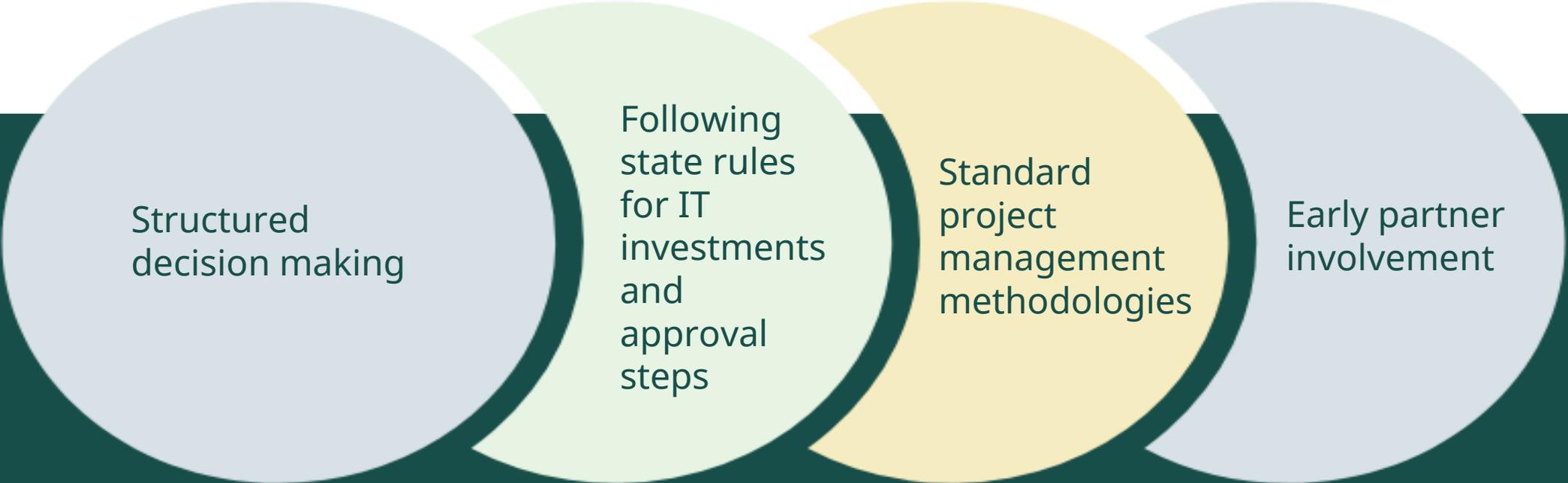
Structured decision making

Following state rules for IT investments and approval steps

Standard project management methodologies

Early partner involvement

Managing competing demands

Other key challenges

- **Procuring new technology** is a slow process.

- Large changes require significant **outreach, communication and training** for finance and technology staff.

The road ahead

- Working with partners, we will **configure and test** the system for Oregon's needs.

- By 2029 we will **launch** the new system and start moving payments off the mainframe.

- Beyond 2029, we will **initiate work** on benefits eligibility and the remaining applications on the mainframe.

Questions