

ANALYSIS

Bureau of Labor and Industries Case Management System Replacement

Analyst: Ben Ruef

Request: Acknowledge receipt of a report from the Bureau of Labor and Industries on the status of the Case Management System replacement project.

Analysis: During the 2025 legislative session, the Legislature approved funding in HB 5015 for Phase 2 of the Bureau of Labor and Industries' (BOLI's) Case Management System replacement project. The approved budget provided approximately \$2.2 million in total funds, including General Fund and Other Funds, and authorized three full-time positions to support project implementation, change management, and technical oversight. The funding is intended to replace BOLI's aging case management system, which the agency reports is at the end of its useful life and no longer meets operational, security, or records-management needs. Phase 2 is expected to cover system procurement, implementation, data migration, training, project management, and independent quality assurance, with a targeted completion by the end of 2027.

The Legislature also adopted a budget note directing BOLI to follow the State Chief Information Officer and Legislative Fiscal Office (LFO) stage gate review process and to work closely with the Department of Administrative Services (DAS) Office of Enterprise Information Services (EIS) and LFO throughout the project. The budget note requires BOLI to do the following:

1. Update its business case and foundational project management documents.
2. Ensure the project is led by a qualified project manager.
3. Obtain independent, third-party quality management and risk assessment services prior to seeking Stage Gate 2 approval and on an ongoing basis as directed by EIS.
4. Submit all key project documents for Stage Gate 2 review and endorsement.
5. Use the state's Enterprise Project and Portfolio Management System for project reporting.
6. Report back to the Joint Committee on Ways and Means and the Joint Legislative Committee on Information Management and Technology during the 2026 legislative session on project status, risks, and readiness to proceed.

BOLI reports that it has completed early planning and received Stage Gate 1 approval from EIS, and it plans to release a request for proposals in first quarter 2026, select a vendor in second quarter 2026 pending EIS approval, and submit all key Stage Gate 2 project documents by mid-2026.

Day-to-day project management is currently handled by the agency's business operations administrator, with a full-time project team (including an information systems specialist, change management staff, administrative support, and a dedicated project manager) expected to be fully assigned to the project by mid-2026. Final decisions on cost, schedule, and scope changes will be made by agency leadership, with a new IT and Information Governance Committee to provide structured oversight.

The agency provided a high-level breakdown of the \$2.2 million estimate, including approximately \$1 million for software and vendor services, \$500,000 for BOLI staff, \$250,000 for independent quality management and risk review, \$125,000 for contracted support such as testing and training, \$75,000 for DAS and Department of Justice procurement and legal support, and a \$200,000 contingency for unexpected costs. BOLI indicated that ongoing operating costs after the go-live date will primarily consist of software licensing and permanent staff support and are expected to be lower than the one-time implementation costs, with software licensing and support costs estimated to range from \$140,000 to \$400,000 per biennium, in addition to existing staff support.

With respect to schedule risk, the agency identified procurement and state approval processes as the primary sources of potential delay, as well as ensuring staff readiness and training before transitioning to the new system. If delays occur, BOLI's fallback plan is to continue operating the existing system and extend licenses as needed until the new system is ready.

BOLI also described the practical service improvements expected from the new system. For staff, the project is intended to reduce reliance on email, standardize case workflows, centralize records and evidence, and automate routine tasks. For the public, the new system is expected to provide a more user-friendly online portal, allow secure document uploads, improve transparency about case status, and reduce confusion and repeated inquiries. These improvements are expected to increase staff capacity for substantive case work, improve case throughput, support backlog reduction, and speed responses to public records requests. With these improvements, the agency is expected to provide baseline performance measures or specific numeric targets for improvement.

Recommendation: The Legislative Fiscal Office recommends that the Joint Committee on Ways and Means acknowledge receipt of the report.

Request: Report on the case management replacement project by the Bureau of Labor and Industries.

Recommendation: Acknowledge receipt of the report.

Discussion: The Bureau of Labor and Industries (BOLI) is submitting a report per the following budget note contained in the budget report for House Bill 5015 (2025).

Budget Note: Case Management System Project

The Bureau of Labor and Industries (BOLI) has initiated a Case Management System project. BOLI's current case management system is nearing the end of its useful life, and the agency reports the system no longer meets agency needs and is increasingly difficult maintain, support, and secure. Although BOLI has estimated the total estimated cost for phase two of this project to be \$2.2 million with an expected completion by the end of 2027, those estimates will need to be further refined when solution vendor cost and schedule proposals are received during the Request for Proposal process. BOLI has completed an initial business case and is in the process of completing the planning and procurement phases of the project. BOLI is directed to:

- Continue to work closely with and regularly report project status to DAS Office of Enterprise Information Services (EIS) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Work with EIS and DAS Procurement Services to hire a project manager or establish a contract for project management services – ensuring the project is led by a qualified project manager with experience in managing projects of this magnitude.
- Update the project's business case and foundational project management documents as directed by EIS.
- Work with EIS to obtain third-party, independent quality management services and ensure the contractor conducts an initial risk assessment and performs quality control reviews on the updated business case, foundational project management documents, solution vendor procurement documents, as appropriate, prior the agency's request for Stage Gate 2 endorsement; and performs ongoing, independent quality management services as directed by EIS.
- Submit the updated business case, project management documents, risk assessment and quality control reviews to EIS and LFO for Stage Gate 2 review and endorsement.
- Report back to the Joint Legislative Committee on Information Management and the Joint Committee on Ways and Means on the project status in the 2026 legislative session.
- Utilize the State CIO's Enterprise Project and Portfolio Management system all project review, approval, and project status and QA reporting activities throughout the life of the BOLI Case Management System Project.

In House Bill 5015 (2025), the Legislature approved Package 101 for the Case Management Replacement Project, which provided \$256,625 General Fund and \$1,898,393 Other Funds expenditure limitation including two permanent, full-time positions and one limited duration position. BOLI is replacing an end-of-life system. The agency has completed the initial business case and received Stage Gate 1 endorsement from the Department of Administrative Services Enterprise Information Services (EIS). The estimate for the overall cost of the project was initially projected to cost \$2.2 million and BOLI expects the project to be complete by the end of 2027. These estimates will need to be refined once BOLI has received vendor proposals during the Request for Proposal (RFP) process. BOLI is continuing to work closely with EIS and is actively engaged in preparing the necessary information to submit to EIS for Stage Gate 2 approval.

BOLI began working on this project in 2024 after receiving \$250,000 to analyze its current systems and prepare for a transition to a new system. BOLI released a Request for Information in late 2024, for which they received 27 vendor submissions. Of those 27 submissions, BOLI chose 14 for demonstrations. BOLI plans to release an RFP in the first quarter of 2026, with vendor selection occurring in the second quarter as well as State Gate 2 review.

BOLI’s approach to data migration and records strategy is to focus on active cases to simplify and lower the costs associated with the project. BOLI’s plans for the system will provide role-based access and a complete audit trail of changes to records. The plans will require the system to comply with state and federal accessibility requirements.

BOLI will continue to work in close coordination with EIS and provide regular reports to LFO through the project. Prior to Stage Gate 2 approval BOLI will complete an initial risk assessment and conduct quality control reviews of the business case, project management documents, and RFP materials. BOLI is also working with EIS to determine the level of Independent Quality Management Services (IQMS) needed. While certain risks related to schedule remain a concern, BOLI is working closely with EIS to mitigate those concerns. BOLI established a steering committee and governance structure to guide decisions and maintain accountability. The following displays the timeline and milestones of the project.

Planning and Selection	September to December 2024
RFI and Market Research	2025
RFP Release	Quarter 1 – 2026
Vendor Selection	Quarter 2 – 2026
Stage Gate 2	Mid 2026
Implementation	Late 2026 to 2027
Go Live and Closure	Quarter 3 to Quarter 4 - 2027



January 16, 2026

The Honorable Senator Kate Lieber, Co-chair
The Honorable Representative Tawna Sanchez, Co-chair
Joint Committee on Ways and Means
900 Court Street NE, H-178
Salem, OR 97301

Dear Co-chairs:

Nature of Request

The Bureau of Labor and Industries is implementing HB 5015 (2025), which allocated \$79,231,998 in total funds to the Bureau. The HB 5015 Budget Report for the bill included a Budget Note directing the Bureau to report back to the Joint Legislative Committee on Information Management and the Joint Committee on Ways and Means on the project status in the 2026 legislative session on the following items:

- Continue to work closely with and regularly report project status to DAS Office of Enterprise Information Services (EIS) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Work with EIS and DAS Procurement Services to hire a project manager or establish a contract for project management services – ensuring the project is led by a qualified project manager with experience in managing projects of this magnitude.
- Update the project's business case and foundational project management documents as directed by EIS.
- Work with EIS to obtain third-party, independent quality management services and ensure the contractor conducts an initial risk assessment and performs quality control reviews on the updated business case, foundational project management documents, solution vendor procurement documents, as appropriate, prior the agency's request for Stage Gate 2 endorsement; and performs ongoing, independent quality management services as directed by EIS.
- Submit the updated business case, project management documents, risk assessment and quality control reviews to EIS and LFO for Stage Gate 2 review and endorsement.
- Utilize the State CIO's Enterprise Project and Portfolio Management system for all project review, approval, and project status and QA reporting activities throughout the life of the BOLI Case Management System Project.

Agency Action

The Bureau of Labor and Industries is replacing its end-of-life case management systems, which are increasingly difficult to maintain, support, and secure. The current systems no longer meet agency needs. We have completed the initial business case and received Stage Gate 1 endorsement from the Department of Administrative Services' (DAS) Office of Enterprise Information Services (EIS). The estimated cost for phase two of this project is \$2.15 million, and we expect completion by the end of 2027. These estimates will be refined when vendor proposals are received during the Request for Proposal process.

The Bureau continues to work closely with EIS Coordination, which includes monthly meetings with EIS at each Stage Gate milestone. We are following the Joint State DAS Chief Information Officer (CIO) and LFO Stage Gate Review Process and have completed Stage Gate 1. We are actively preparing Stage Gate 2 artifacts for submission through the State CIO's Project Portfolio Management system, including the Baseline Project Management Plan, project risk and issue log, requirements, security planning confirmed by Cyber Security Services, and solicitation documentation, and anticipate completion during Q1 2026.

Action Requested

The Bureau of Labor and Industries respectfully requests acceptance of this report.

Legislation Affected

None.

Sincerely,



Christina Stephenson

Labor Commissioner

Attachments: HB 5015 Budget Note Report: Case Management Project

CC: Kate Nass, Chief Financial Office

Amanda Beitel, Legislative Fiscal Office