State of Oregon
Employment Department

Modernization
Program

Workforce Modernization Project
Project Charter

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Document Maintenance

This document is maintained by the Modernization team and will be updated only if major revisions are necessary. All program documents are stored within the program's file share here: [\\WPOEDFILL04\Modernization\00 Program Management\Program Plans](\\WPOEDFILL04\Modernization\00 Program Management\Program Plans)

Version	Date	Author	Change Description
V1.0	01/2023	Martin Kraal, Workforce Modernization Project Manager	Initial version of the document.

Program Overview

The Employment Department's Modernization Program is a multi-year initiative focused on transforming the agency's business processes and core technology systems. Computer systems supporting receipt of unemployment insurance (UI) taxes, Paid Leave Oregon contributions, payment of UI and Paid Leave Oregon benefits, and delivery of employment services will be replaced or established. Further, business processes will be transformed to take advantage of opportunities and benefits available through new system capabilities.

Project Overview

The Workforce Modernization Project is an initiative chartered through the Modernization Program. Its purpose will be to replace the computer systems supporting the delivery of employment services and administration of federal programs. Additionally, we will transform business processes to take advantage of opportunities and benefits available through new system capabilities.

Document Purpose

A charter communicates basic information about a project, and authorizes use of resources to attain the project's objectives. The charter describes the vision and benefits to be achieved through the project, and states how the project aligns with or supports the strategic plans of the agency and the State of Oregon. This document provides a means to share this information with key partners and stakeholders.

Document Audience

This document is intended for these primary audiences:

- **Sponsors and steering committee members** – to understand the project purpose, expected outcomes, and how success will be monitored and measured. The sponsors and steering committee should ensure that the purpose of the Modernization Program and Workforce Modernization Project are clearly stated, and that goals and objectives reflect the desired outcomes for the agency.

- **Internal and external oversight entities** – to understand the project purpose, expected outcomes, and how success will be monitored and measured.

- **Program and project team members and vendor staff** – to understand the purpose and desired outcomes expected, clear direction for what must be delivered, and how it will be measured.

- **Agency employees and external stakeholders** – to reference for general awareness.

Background

In 2015, the Employment Department chose to invest in a modernization initiative to transform the agency's business and technology systems to innovatively meet the evolving needs of Oregon's businesses and citizens. During the 2015-17 biennium, the agency submitted Policy Package 101 requesting the expenditure limitation and position authority to initiate the Modernization Program. The Modernization Program will accomplish its goals through the execution of various projects.

In November 2016, the agency contracted with the Information Technology Support Center[1] to conduct a feasibility study of transforming the agency's business processes and technology systems. The feasibility study expanded the agency's knowledge of available market solutions and other states' employment services and UI modernization projects. This information has been helpful in constructing program plans, identifying the agency's preferences, and providing documentation as projects are initiated. The feasibility study was completed in January 2018.

In 2017, the agency developed an initial business case describing the business needs, benefits, and justification for the Modernization Program. The Modernization Program Business Case describes the business drivers, desired outcomes, and strategic alignment with the agency's strategic plan, the Governor's priorities, and other state priorities and initiatives.

Enterprise Information Services (EIS) requires statewide projects meeting established thresholds be subject to a Stage Gate review process. The Modernization Program submitted its business case and foundational documents and requested Stage Gate 1 endorsement. Endorsement was received in January 2018, and the program entered into Stage 2, focused on formal initiation of the program and its associated projects.

Following the completion of the feasibility study and receipt of Stage 1 endorsement, the agency chose to focus initial efforts on modernization of the UI program, beginning with UI tax. The agency, preferring to pursue an integrated UI solution for both tax and benefits, initiated a single UI project with phases for tax and benefits. The UI Modernization Project scope was expanded in 2021 to include Paid Leave Oregon contributions and benefits, as agency leadership decided the best way to serve Oregonians and Oregon businesses is to have a single system that supports both programs.

As the UI Modernization Project is being executed, the Modernization Program is initiating and planning for the Workforce Modernization Project with as much concurrency as reasonable, considering the timing of existing projects and resource availability. In December 2022, the Modernization Executive Steering Committee approved formally initiating the project and submitting for Stage Gate 2 endorsement.

Risks Mitigated

Modernizing core information technology systems and business processes will ensure the agency can continue to provide services to Oregonians and Oregon businesses today, and be prepared to respond

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[1] The Information Technology Support Center (ITSC) is a non-profit organization housed in the National Association of State Workforce Agencies, funded largely by grants from the U.S. Department of Labor, and governed by state unemployment insurance and workforce leaders. The ITSC has worked with other states on their modernization efforts and is knowledgeable of unemployment insurance models and practices nationwide.

to emerging future needs. Postponing the modernization effort and continuing use of legacy systems increases the severity of and exposure to risks affecting the agency's ability to deliver key services.

The primary drivers for modernization and initiation of the Workforce Modernization Project include:

- **Risk that we cannot sustain delivery of secure and reliable services**. First and foremost, we must ensure we can continue to deliver secure and reliable services. It is becoming increasingly difficult to recruit and retain employees with the skillsets needed to support our aging computer systems. As of December 2021, 18 percent of the technical employees supporting our existing systems are eligible for retirement with an additional 19 percent eligible for retirement within five years.

- **Challenges to provide customers with personalized and updated services**. Our customers desire personalized and updated services, such as online self-service options and mobile-friendly applications, and it is not feasible to meet these needs with our current systems.

- **Constrained and inflexible systems that cannot adapt to changing business, state, and federal requirements**. There are many opportunities to be more efficient and effective in how we deliver our services. Our current systems constrain our ability to change our business processes, implement requirements due to state and federal policy changes, resolve challenges, and automate or remove manual work. These improvements will allow us to be more efficient, reduce processing time, improve the accuracy of actions and information, and be more responsive to policy changes, capabilities critically emphasized during the recent pandemic.

- **Difficulties in managing access and sharing data securely with our partners**. Our existing systems were not designed with integrated data security. Controlling data security is complex and it is difficult to manage user access appropriately. Newer technology provides opportunities for improved security measures, and would allow us to respond more nimbly to security threats and more easily manage access. Additionally, our partners wish to interact and share data with us using modern and flexible technologies.

Goals and Objectives

Goals and objectives for the Modernization Program are documented within the Modernization Program Charter. Delivery of these goals and objectives will be through individual projects. The program goals and objectives relevant to the Workforce Modernization Project are included below. These goals and objectives will guide the definition of project scope. At the end of the project, achievement of these goals and objectives will be reported upon based on established metrics for each objective.

Goal 1: Enhance customer experience – Deliver improved services, such as online self-service, automation, access to data, and integration with partners.

Supporting objectives
- Improve customer satisfaction
- New online service options
- Improve service availability through mobile applications
- Increase access to timely and accurate data for customers
- Create additional data elements that address missing data points
- Seamless service delivery with our partners

Supporting performance metrics

Workforce Operations Division

- Increase in percentage of employers using the job posting services (i.e., market penetration)
- Increase in customer satisfaction with availability of information
- Increase in returning system users

Goal 2: Transform business processes – Leverage modern system capabilities to provide improvements and efficiencies in business processes, deliver new tools for our employees, and support more effective service delivery to our customers.

Supporting objectives

- Improve state, federal, and other internal key performance outcomes and metrics long term
- Minimize process pain points
- Automate repeated manual processes and reporting that do not require human judgement
- Fulfill business requirements

Supporting performance metrics

- Improve applicable state, federal, and internal performance metrics
- Eliminate prioritized pain points
- Increase the number of automated processes
- Reduce manual work to develop mandated reports
- Business requirements met or exceeded

Goal 3: Improve data security – Improve our ability to anticipate and respond to data security threats and manage access.

Supporting objectives

- Improve the extensibility and flexibility of access control administration
- Implement comprehensive audit logs
- Comply with all applicable regulatory security standards

Supporting performance metrics

- Decrease average timeframes to process access requests
- Reduce security-related audit findings
- Implement role-based access for all new systems solutions
- Implement access that follows the principal of least privilege

Goal 4: Modernize technology – Replace the agency's aging computer systems that support unemployment insurance taxes, payment of benefits, and delivery of employment services.

Supporting objectives

- Replace in-scope systems and functions
- Replace in-scope interfaces
- Deliver flexible and sustainable systems
- Deliver technical requirements

Supporting performance metrics
- Replace and decommission in-scope legacy systems
- Replace in-scope interfaces and data transfers
- Deliver technical requirements
- Reduce the number of systems and interfaces within the agency's technical architecture

Goal 5: Provide expandable technology – Deliver a system capable of supporting new programs and functionality needs.

Supporting objectives
- Deliver system solutions that can be leveraged for new programs' technology needs
- Promote system standards that provide opportunity to support new and expanded functionality needs of agency programs
- Promote employer buy-in and compliance by delivering systems and processes that take into consideration input and feedback of agency customers and stakeholders
- Deliver systems that provide equitable access for Black, Indigenous and other people of color, low-wage workers, people with disabilities, and currently and historically excluded workers and employers based on ongoing identification of gaps and opportunities
- Establish systems and processes that support the administration of agency programs in a way that is customer-focused, cost-conscious, and sustainable

Supporting performance metrics
- Number of new programs or functionalities supported
- Customer usage and compliance metrics improve over time
- Increased customer satisfaction for all customer groups
- Increased usage, compliance, and customer satisfaction among targeted populations
- Program timeliness, quality, and financial performance metrics improve over time

Project Metrics

In addition to measuring project success based on the project's goals and objectives, the following project health metrics will be captured and reported to communicate successful management of the project and resources.

BUDGET

The Modernization Program and its projects are funded by Federal Fund and Other Fund revenues available to the agency. Specific one-time UI funds were distributed by the U.S. Department of Labor in 2009, also referred to as modernization funds, and reside in the UI Trust Fund.

Figure 1 – Modernization Funds

UI Modernization Fund	
Received 6/8/2009 (Related to enactment of SB 462, 2009 OR Legislature)	$ 28,524,880
Received 7/20/2009 (Related to enactment of HB 2624, 2009 OR Legislature)	$ 57,049,761
Total received	*$ 85,574,641*

Each distribution was tied to specific legislation and approved by the U.S. Department of Labor.

Federal Funds and Other Funds may be used for the Modernization Program and projects, where available and advantageous, for long-term funding purposes and as allowed or required by state or federal law. Existing funding sources include: Supplemental Employment Department Administration Fund (SEDAF), penalty and interest (P&I) collected from employers, federal Wagner-Peyser Act funds, and federal Trade Act Administration funds. The budget and available funds for the Workforce Modernization Project will be evaluated and identified as the project is initiated.

Budget will be maintained within established variances from the budget baseline. Budget impacts resulting in changes to the baselined budget or contingency expenditures are subject to change control, and will be fully disclosed in budget reporting. See the program's Budget Management Plan and Change Control Plan for further details on these processes.

SCOPE

Scope will be measured by satisfaction of identified scope components to be identified in the Workforce Modernization Project Scope document. Changes in scope that involve product customization, contract changes, or that impact schedule or budget baselines are subject to change control, and will be fully disclosed in scope reporting. See the program's Scope Management Plan, Governance Plan, and Change Control Plan for further details on these processes.

Scope Parameters

Items in scope for the Workforce Modernization Project include:

- Primary business functions that must be supported by a new solution include labor exchange, case management, and complementary functionality that supports employment and business services (as noted under the Wagner-Peyser Act, amended by Title III of the Workforce Innovation and Opportunity Act of 2014), Veterans' Employment Services, Monitor Advocate System, Foreign Labor Certification, SNAP Training and Employment Program (STEP) and Able-Bodied Adults without Dependents (ABAWD), Trade Adjustment Assistance (TAA), and Reemployment Services and Eligibility Assessment (RESEA).

- Configuration, development, or modification of vendor solution(s) to meet the agency's detailed business and technical requirements.

- Conversion of data from existing systems to the new system(s).

- Modifications and development of interfaces and data transfers to internal systems (e.g., Frances, data warehouse) that are impacted as a result of implementing the new system.

- Revised high-level business process documentation that reflects changes in process as a result of the new system solution.

- Knowledge transfer and technical documentation to support the new system(s).

Items not in scope:

- Changes to IT operations and governance processes (i.e. regular desktop hardware and software upgrades, new computers).

- Replacement of systems that do not directly support employment services, specifically the systems supporting UI, Paid Leave Oregon, payroll, finance, human resources, and procurement.

Scope Components

The project scope will be defined by eight components. These components are tracked and monitored throughout each modernization project.

- Legacy systems replaced
- Legacy systems impacted
- External data transfers and interfaces
- Internal data transfers
- External access rights
- Mandatory reports
- Business requirements
- Technical requirements

SCHEDULE

Schedule impacts resulting in changes to major milestones within the baselined budget are subject to change control and will be fully disclosed in schedule reporting. The following illustrates the high-level timeline for implementing the Workforce Modernization Project.

Figure 2 – Workforce Modernization Project Timeline

Modernization Program
Projected Timeline
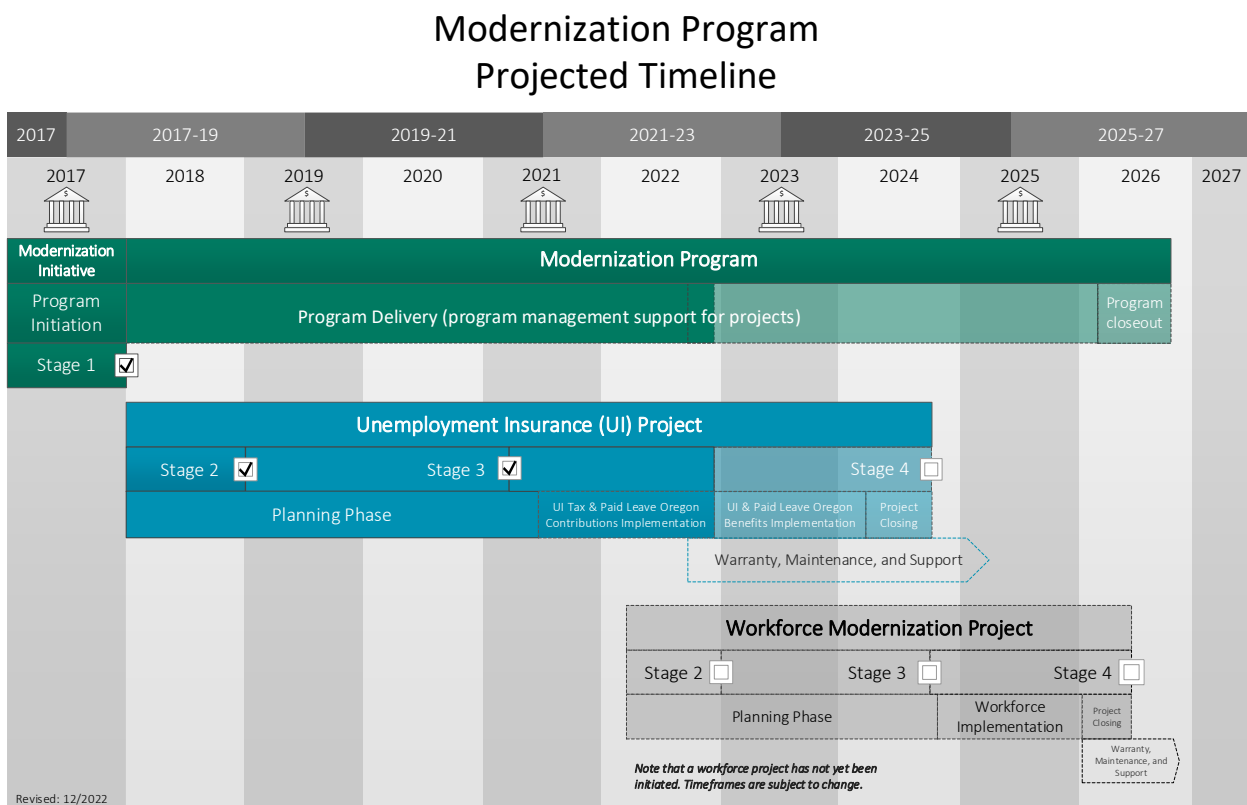
Project Resources

A variety of project resources will be necessary to deliver the project. These resources consist primarily of staffing resources comprised of both agency employees and contracted vendor staff.
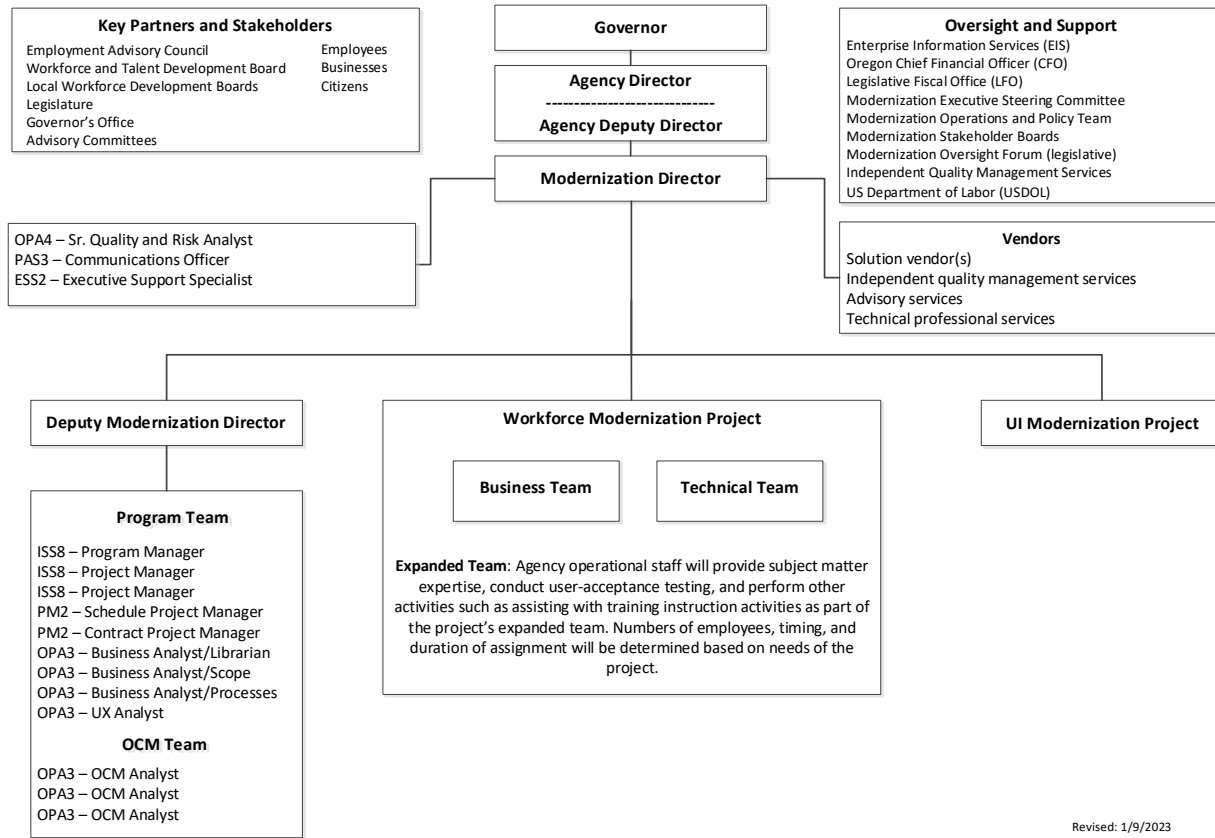
In addition, hardware, software, licensing, facilities, and supplies will be necessary. An overview of anticipated resource needs and expenses is detailed within the project business case.

Agency staff dedicated to the project include:

- Modernization Program Staff – Comprised of agency employees with project management, organizational change management, training coordination, budget, procurement, contracts, schedule, and leadership expertise. These employees will serve for the life of the Modernization Program and be involved in, or assist with, all modernization projects.

- Workforce Modernization Project Staff – Comprised of dedicated managers, business analysts, technical staff, and trainers with business and technical expertise focused on the delivery and execution of the project.

- Other Agency Staff – Expanded team resources, augmenting the dedicated program and project team resources, will be involved to assist with procurement, human resources, budgeting, and technical activities; provide subject matter expertise; and test system functionality. Equity and Inclusion staff, comprised of operations and policy analysts, will support both the Modernization and Workforce Operations divisions through training and technical assistance.

Figure 3 – Modernization Program

Modernization Program

Key Partners and Stakeholders

Employment Advisory Council
Workforce and Talent Development Board
Local Workforce Development Boards
Legislature
Governor's Office
Advisory Committees

Employees
Businesses
Citizens

Governor

Agency Director

Agency Deputy Director

Modernization Director

Oversight and Support

Enterprise Information Services (EIS)
Oregon Chief Financial Officer (CFO)
Legislative Fiscal Office (LFO)
Modernization Executive Steering Committee
Modernization Operations and Policy Team
Modernization Stakeholder Boards
Modernization Oversight Forum (legislative)
Independent Quality Management Services
US Department of Labor (USDOL)

OPA4 – Sr. Quality and Risk Analyst
PAS3 – Communications Officer
ESS2 – Executive Support Specialist

Vendors

Solution vendor(s)
Independent quality management services
Advisory services
Technical professional services

Deputy Modernization Director

Workforce Modernization Project

Business Team

Technical Team

Expanded Team: Agency operational staff will provide subject matter expertise, conduct user-acceptance testing, and perform other activities such as assisting with training instruction activities as part of the project's expanded team. Numbers of employees, timing, and duration of assignment will be determined based on needs of the project.

UI Modernization Project

Program Team

ISS8 – Program Manager
ISS8 – Project Manager
ISS8 – Project Manager
PM2 – Schedule Project Manager
PM2 – Contract Project Manager
OPA3 – Business Analyst/Librarian
OPA3 – Business Analyst/Scope
OPA3 – Business Analyst/Processes
OPA3 – UX Analyst

OCM Team

OPA3 – OCM Analyst
OPA3 – OCM Analyst
OPA3 – OCM Analyst

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Project Flexibility Constraints

Projects are constrained by the following major areas: schedule, scope, budget, and resources. Every project has different priorities based on the sequencing of these areas.

Figure 4 – Project Constraint Matrix

Area	Priority	Explanation
Resource	Least flexible	The agency has limited employees with legacy system knowledge and business and policy expertise. Capacity constraints will need to be managed carefully to support day-to-day operational needs, current projects (i.e., UI Modernization Project), changes to legacy systems to ensure the new system integrates successfully, and that legacy system functionality is retired/decommissioned appropriately. Further, the agency must invest in employees during the project to support both implementation and also build the knowledge and expertise needed to continue support of the new system after the project concludes.

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| Area	Priority	Explanation
Scope	Somewhat flexible	While some requirements or desirable functionality could be delivered later as production support work after implementation, the system must support the core functions and services of the agency at go-live, including compliance with federal and state requirements.
Schedule	Most flexible	While there is a growing need to replace current systems, there are no critical deadlines that constrain the delivery timeline. Business operational processes and workflow are considered as implementation dates are established.
Budget	Somewhat flexible	The agency has dedicated federal funds that can be used as a primary source of funding for project expenses. Other revenues may be used where available and advantageous for long-term funding purposes, and as allowed or required by state or federal law. Other funds available are noted in the Budget section above.

Project Approach

The approach and management of the Workforce Modernization Project is informed by the guiding principles, preferences, and approach outlined within the Modernization Program Charter. These program-level guidelines will be adopted by the Workforce Modernization Project and incorporated into the project's management processes. The Modernization Program Charter is located in the following folder: Q:\00 Program Management\Program Plans\Program and Project Charters.

The Modernization Program and its projects are a priority of the agency and the outcomes will touch every aspect of the agency, from processes to people. Project performance measures and oversight requirements will be established to ensure the project delivers the expected outcomes and benefits. All modernization projects will adhere to established oversight requirements and follow project management standards and best practices as described within *A Guide to the Project Management Body of Knowledge* (6th edition, released September 2017).

The Modernization Executive Sponsor is ultimately accountable, and Modernization Director is responsible, to deliver the project outcomes. The project will have oversight and accountability on multiple levels. The Modernization Program's Governance Plan describes the primary oversight roles, along with those who have accountability to deliver the project outcomes.

Figure 5 – Modernization Program Governance

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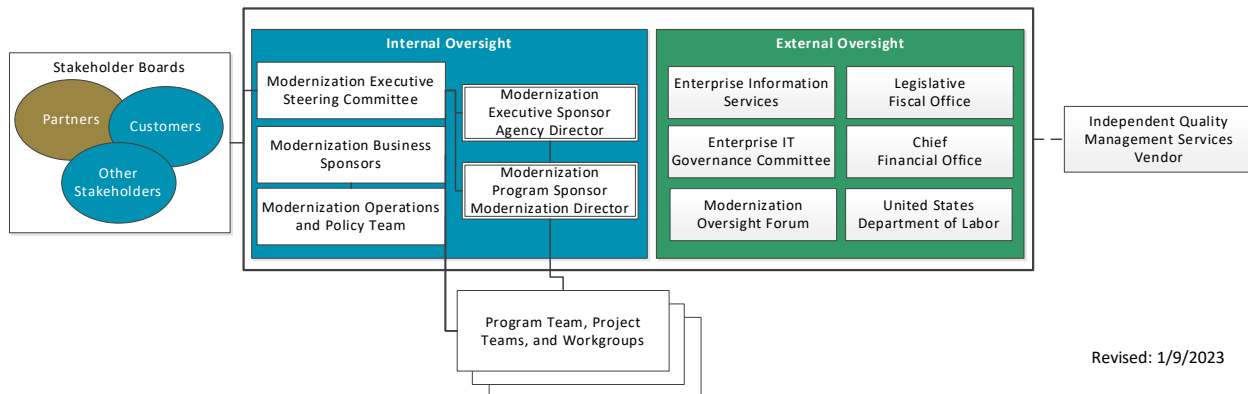
Critical Success Factors

Critical success factors are the elements necessary for the Modernization Program and Workforce Modernization Project to achieve its goals. Many of these were identified through the feasibility study conducted in 2017 and have since been reviewed and updated. The critical success factors identified for success of the Modernization Program are:

- Cohesive sponsorship and agency leadership supporting the program and its projects
- Sufficient funding to cover the resource needs for the program and constituent projects
- Timely, relevant, and transparent communication
- Change management resources and activities to prepare agency employees for new systems and changes in business processes
- Partnership and involvement from business and information technology units within the agency
- Regular engagement with service delivery partners and other external stakeholders
- Disciplined change control for scope, schedule, budget, and contract adjustments
- Attention to data conversion and data cleaning activities
- User involvement and clear business objectives and requirements
- Skilled and sufficient staffing
- Facilities supporting a collaborative work environment, such as co-located space for agency project team and vendor staff
- Expedient decision making
- Rigorous project management

Key Stakeholders

All stakeholders that may be involved or impacted by the Workforce Modernization Project will be identified and documented within the project's stakeholder registry. Partnerships exist with other state agencies to deliver services to common customers. These key partner stakeholders, their interests and shared services, and a strategy for engagement and involvement during the project will also be documented within the stakeholder registry.

Key stakeholders identified are listed below:

- Agency employees

- Modernization team and steering committees
- Modernization Oversight Forum
- Workforce Modernization Stakeholder Board (to be formed)
- Vendors supplying products or services for the project
- Customers – job seekers and businesses in Oregon
- Employment Department's Unemployment Insurance, Research, Contributions and Recovery, and Paid Leave Oregon divisions
- Employment Department's Director's Office (which includes Legislative Affairs, Communications, and Equity and Inclusion offices)
- Employment Department's Administrative Business Services, Human Resources, and Information Technology Services
- Partner agencies
  - Higher Education Coordinating Commission
  - Oregon Department of Human Services
  - Bureau of Labor and Industries
  - Oregon Commission for the Blind
  - Oregon Housing and Community Services
  - Oregon Department of Corrections
  - Oregon Youth Authority
  - Business Oregon
- Oregon Workforce and Talent Development Board
- Local Workforce Development Boards
  - Clackamas Workforce Partnership
  - East Cascade Works
  - Eastern Oregon Workforce
  - Lane Workforce Partnership
  - Northwest Oregon Works
  - Rogue Workforce Partnership
  - Southwest Oregon Workforce Investment Board
  - Willamette Workforce Partnership
  - Worksystems, Inc.
- Oregon Human Development Corporation
- Community colleges
- Oregon Tribes
- Legislative Fiscal Office
- Department of Administrative Services, Enterprise Information Services
- Department of Administrative Services, Chief Financial Office
- Governor's office
- U.S. Department of Labor

Approving Authorities

David Gerstenfeld
_____

David Gerstenfeld, Modernization Executive Sponsor   Date
Oregon Employment Department, Acting Agency Director

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Jim PFARRER (Jan 10, 2023 09:01 PST)

Jim Pfarrer, Business Sponsor   Date
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Bill TRUEX
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Bill Truex, Business Sponsor   Date
Chief Information Officer

Workforce Modernization Project Charter V1.0

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