



Business Case for Workforce Modernization Project

Oregon Employment Department,
Modernization Program

Date: November 8, 2023
Version: 2.1

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The person signing this section is attesting to reviewing and approving the business case as proposed.

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Version History

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0.9	May 31, 2022	Martin Kraal, Modernization Program Business Analyst	Draft of first version to accompany 2023-25 budget request and IT Project Prioritization Matrix.
1.0	June 23, 2022	Martin Kraal, Modernization Program Business Analyst	Final version 1.0 to accompany 2023-25 budget request.
2.0	January 9, 2023	Martin Kraal, Workforce Modernization Project Manager	Updated alternative analysis and included cost estimates at +/-50%. Incorporated system diagrams.
2.1	November 8, 2023	Martin Kraal, Workforce Modernization Project Manager	Updated schedule, alternative analysis, and cost estimates. Updated Current State Challenges and Opportunities section based on information from staff engagements.

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Executive Summary

The Oregon Employment Department's Workforce Operations Division provides employment services to businesses by recruiting and referring qualified applicants to jobs and provides tailored employment services to diverse job seekers to help remove barriers and support their individual career paths. The Workforce Operations Division administers several federal programs including Jobs for Veterans State Grant, Work Opportunity Tax Credit (WOTC), Monitor Advocate System, Foreign Labor Certification, Reemployment Services and Eligibility Assessment (RESEA), and Trade Adjustment Assistance (TAA), or Trade Act.

These services and programs are supported by a network of systems and tools. These applications have outgrown their functionality as technology has evolved over the years and our customers desire more personalized and updated services. Opportunity exists to enhance accessibility and usability (e.g., mobile access), personalize interactions with job seekers and employers (e.g., virtual appointments, additional communication channels, increased language access), and offer greater self-service and automated functionality (e.g., job matching, job notifications, job postings) targeted for customers' needs. Enhanced tracking of services and interactions with job seekers and employers, including the ability to track those services with our partners, and more robust document management capabilities among other items can optimize business processes. Furthermore, we will seek opportunities to align with statewide workforce development efforts and provide a more seamless experience for customers. This includes better integration and data sharing with our partners to not only improve efficiencies across agencies, partners, and programs, but also support data-informed policy making.

The Workforce Modernization Project is chartered through the Modernization Program. Its purpose is to replace the computer systems supporting the delivery of employment services and administration of federal programs. Furthermore, we will re-evaluate our business model and transform business processes to take advantage of opportunities and benefits available through new system capabilities.

Primary functionality that must be supported by a new solution(s) includes labor exchange and case management that supports employment services, business services, Jobs for Veterans State Grant, Monitor Advocate System, Foreign Labor Certification, Supplemental Nutrition Assistance Program (SNAP) Training and Employment Program (STEP) and Able-Bodied Adults without Dependents (ABAWD), TAA, and RESEA. Replacement of the system that supports the WOTC program may or may not be in scope depending on the solution proposed by vendors. Additional required functionality includes performance reporting (for federal, state, and ad-hoc reports), career awareness and exploration, customer relationship management, assessment (supporting monitoring progress, identifying eligibility, and creating plans), training (supporting the administration and tracking of customer performance), customer communication, scheduling, and fiscal and administrative. The new solution(s) must support the connection to and coordination with internal systems, such as the new UI and Paid Leave Oregon system (Frances), labor market information system, and data warehouse. Lastly, the solution must integrate with external partner systems, including our Title I and other Workforce Innovation and Opportunities Act (WIOA) partners, or provide functionality, such as case management, that can be leveraged and utilized by partners for shared service delivery.

As of the submission of this business case, the project will begin execution in 2025 and close out in the 2025-27 biennium. Current planning activities include documenting and validating scope and requirements, and engaging with partners and other interested parties to help us define and plan for the future state.

Leveraging information gathered from the feasibility study and market research, potential solutions include:

- Alternative 1 – Leverage Existing System(s)
- Alternative 2 – Custom Development
- Alternative 3 – Single Integrated System
- Alternative 4 – Best of Breed

Based on an analysis of these alternatives, the recommended approach is to pursue a vendor solution(s), selected through a request for proposals, to minimize risks and allow the agency to procure the best-fit, best-value solution. This approach could include Alternatives 3 and 4, and potentially Alternative 1 as we continue to evaluate the potential of leveraging existing systems, specifically Frances, to meet business needs and best serve our customers.

Overview and Background

The Oregon Employment Department (OED) is responsible for administering the state's unemployment insurance (UI) program and public labor exchange helping connect job seekers and employers. Our Unemployment Insurance Division provides partial wage replacement to mitigate the impact of economic downturns for individuals and communities and helps retain skilled workers within their local economies. For some, the partial wage replacement is critical to cover living expenses and basic needs. Our Workforce Operations Division provides employment services to businesses by recruiting and referring qualified applicants to jobs, and provides tailored employment services to diverse job seekers to help remove barriers and support their individual career paths. The UI and Workforce Operations divisions are strongly connected and collaborate in service delivery to best serve common customers. Most UI claimants are required to engage in work seeking activities, including registering in the state's labor exchange system, and WorkSource Oregon staff provide reemployment and training services to claimants. The Workforce Operations Division also manages several programs including Jobs for Veterans State Grant, Work Opportunity Tax Credit (WOTC), Monitor Advocate System, Foreign Labor Certification, Reemployment Services and Eligibility Assessment (RESEA), and Trade Adjustment Assistance (TAA), or Trade Act.

The department is also responsible for administering Paid Leave Oregon, the state's new paid family and medical leave insurance program. Paid Leave Oregon provides employees with compensated time off from work to care for and bond with a child during the first year of the child's birth or arrival through adoption or foster care; provide care for a family member who has a serious health condition; recover from an employee's own serious health condition; and take leave related to domestic violence, stalking, sexual assault, or harassment (safe leave).

In 2015, OED 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. The Modernization Program is a multi-year initiative focused on transforming the agency's business processes and core technology systems. We will replace or establish computer systems supporting receipt of UI taxes and Paid Leave contributions, payment of UI and Paid Leave benefits, and delivery of employment services and administration of federal programs.

In 2016, the department contracted with the Information Technology Support Center (ITSC)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' modernization projects. This information has been helpful in constructing program plans and identifying agency's preferences. The feasibility study was completed in January 2018.

In 2017, the department developed an initial business case describing the business needs, benefits, and justification for the Modernization Program. The Modernization Program Business Case describes the business

¹ The Information Technology Support Center is a non-profit organization housed in the National Association of State Workforce Agencies, largely funded 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.

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 required for Stage Gate 1 endorsement. Endorsement was received in January 2018, and the program entered into Stage 2 focused on formal initiation of the program.

Following completion of the 2018 feasibility study and receipt of Stage 1 endorsement, the agency chose to focus initial efforts on modernizing 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 modernization project with phases for tax and benefits. Throughout 2018, the agency completed the Modernization Program preparation activities and drafted the foundational documents to initiate the UI Modernization Project. The UI Modernization Project was chartered in December of 2018, followed by the completion of the project business case and alternatives analysis. Receipt of EIS Stage Gate 2 endorsement in February 2019 moved the project into the planning phase. A request for proposals (RFP) was released in August 2019 and the contract with the solution vendor was finalized in April 2021. Additionally, in 2021 agency leadership decided to include Paid Leave Oregon contributions and benefits (this program was legislatively created in 2019) in the UI Modernization Project scope to have a single system that supports both programs.

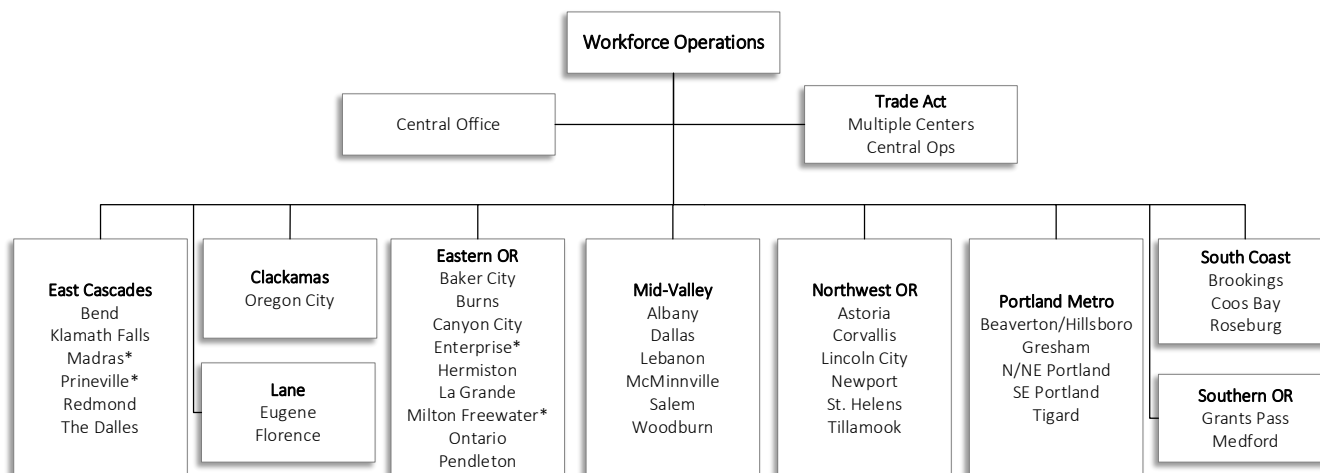
The UI Modernization Project is delivered in a two-phase approach called rollouts. Rollout 1, which went live September 6, 2022, includes the system functionality and business processes that support UI tax and Paid Leave Oregon contributions. Rollout 2 includes the system functionality and business processes that support UI and Paid Leave Oregon benefits. Paid Leave Oregon benefits went live in August 2023 and UI benefits is scheduled to go live in March 2024.

As the UI Modernization Project is implemented, the planning and execution of the Workforce Modernization Project will occur and be evaluated considering schedule and resource capacity. In December 2022, the Modernization Executive Steering Committee approved formally initiating the project and chartered the project in January 2023.

WORKFORCE OPERATIONS CURRENT STATE

The Workforce Operations Division provides employment services to businesses by recruiting and referring qualified applicants to jobs, and provides tailored employment services to diverse job seekers to help remove barriers and support their individual career paths. Workforce Operations serves approximately 10,000 employers and 300,000 job seekers annually through the central office in Salem and WorkSource Oregon (WSO) Centers throughout the state.

Figure 1 – Workforce Operations



*OED supports with part-time staff.

Workforce Operations program authorization comes from a variety of federal and state statutes and regulations. Programs administered by the division include:

- Employment Services and Labor Exchange** – Employment services are provided to job seekers and employers under the federal Wagner-Peyser Act, as amended by Title III of the Workforce Innovation and Opportunity Act (WIOA) of 2014. Employment services are provided to job seekers based on their individual needs and may involve staff-assisted services or self-services. These services include career guidance, testing and assessments, occupational and labor market information, and labor exchange services such as job search, referrals, and placement assistance. Business Services are those services designed to connect employers to qualified candidates. Examples of Business Services include recruitment services (the process of attracting, selecting, and referring suitable candidates to available job openings), customized training, incumbent worker training, job postings, incentives (e.g., WOTC, Preferred Worker Program, etc.), and Rapid Response (pre-layoff services to employers and their workers).
- Monitor Advocate System** – The Monitor Advocate System was implemented to ensure that the employment and training services provided to Migrant and Seasonal Farmworkers (MSFWs) are equivalent and proportionate to the employment and training services offered to other job seekers. OED ensures MSFWs receive all workforce development services (career guidance, testing, job development, training, and job referrals, etc.), benefits, and protections on an equitable and non-discriminatory basis by maintaining a vigorous outreach campaign. The program is funded entirely through the federal Wagner-Peyser grant. U.S. Department of Labor (DOL) has designated Oregon as one of the top twenty states with the highest estimated levels of MSFWs. As such, U.S. DOL requires that OED provide an adequate number of full-time, year-round MSFW outreach staff to locate and contact MSFWs who are not being reached by the normal intake activities conducted by the employment services offices.
- Veterans’ Employment – Jobs for Veterans State Grant (JVSG)** – The Veterans’ Employment program involves outreach to the business community to increase employment opportunities for veterans, and provide employment services to eligible veterans and eligible persons who meet the definition of an individual with a significant barrier to employment (SBE) as defined by U.S. DOL-VETS. Strong partnerships exist with the Veterans Administration, Oregon Department of Veterans’ Affairs, Oregon military units, and other community support organizations to provide services.

The program is supported by three specialized types of positions – Disabled Veterans’ Outreach Program Specialist (DVOP), Local Veterans’ Employment Representative (LVER), and Consolidated Position

DVOP/LVER staff – funded by the Jobs for Veterans State Grant through the U.S. DOL-VETS. DVOP staff only provide employment services to eligible veterans/eligible persons with significant barriers to employment. DVOPs use a case management framework to conduct comprehensive assessments, document SBEs, create Individual Employment Plans (IEPs), write case notes, and document case management exit outcomes. LVER staff only work with the business community and employer groups to market veterans and eligible persons as a workforce solution. They conduct seminars and briefings to increase employment opportunities for veterans and eligible persons. They perform these functions across a large regional area covering several counties. Finally, Consolidated DVOP/LVER staff serve in a dual role to carry out each function as described above.

- **Trade Act** – The Trade Adjustment Assistance Program, or Trade Act, is a federally funded entitlement program that assists workers who have lost their jobs or had a reduction of work hours due to international trade. The TAA program provides eligible workers a variety of benefits and services to assist with becoming reemployed in an occupation of similar or higher skill level and income. Benefits and services include re-employment services, job search and reallocation allowances, training benefits, income support, tax credit for health insurance, and wage subsidies for workers 50 or older. The program served over 1,700 affected workers, of which approximately 25 percent re-entered the workforce after completing this program during federal fiscal year 2020 (October 1, 2019 to September 30, 2020).

Nationally, the U.S. DOL ranks Oregon’s Trade Act program as number one for new Trade Act Assistance participants and number two in TAA petition filings. Moreover, Oregon’s share of TAA petition filings in the U.S. is more than five times the size of their share of the U.S. civilian labor force, while their share of new TAA participants is seven times their share of the U.S. civilian labor force.

- **Foreign Labor Certification (FLC)** – The OED acts as a liaison to the U.S. DOL to certify foreign labor applications (H-2A and H-2B) due to a shortage of American workers. Agency responsibilities include ensuring that employers have exhausted every effort to fill their positions with U.S. workers, and that the wages, jobs, and working conditions of U.S. workers are not adversely affected by the use of foreign labor. Certification of temporary visa requests is approved or denied by the U.S. DOL. While the number of Oregon employers using the programs has remained relatively constant in recent years, the number of certifications has been increasing. Additional FLC program obligations include H-2A field checks, tracking and monitoring H-2B recruitment activity, prevailing wage and practice surveys, housing inspections, technical assistance for employers, and staff training.
- **Work Opportunity Tax Credit (WOTC)** – The WOTC program provides federal tax incentives for employers who hire individuals from specific targeted groups such as Temporary Assistance to Needy Families (TANF) recipients, SNAP recipients, qualified justice-involved workers, vocational rehabilitation referrals, qualified veterans, and long-term UI recipients. The department administers this program in Oregon and certifies federal tax credits to employers. WOTC helps qualifying individuals move from economic dependency to self-sufficiency and become contributing members of their communities. Participating employers lower their cost of doing business through reduced federal income tax liability. Oregon employers request WOTC certifications for approximately 65,000 new hires annually, with total tax credits averaging \$89 million per year over the last five years. In 2020, just over 53,000 applications were received, which was fewer than the 59,500 applications submitted in 2019 and 74,800 submitted in 2018.
- **Reemployment Services and Eligibility Assessment (RESEA)** – The RESEA program is a vital component of claimant reemployment and complements the division’s other work with UI claimants. This program improves employment outcomes, reduces the average duration of unemployment, detects and prevents UI overpayments, promotes alignment with the broader vision of the WIOA, and establishes reemployment services and eligibility assessments as an entry point for claimants into other workforce partner programs. Staff conduct an UI eligibility review with the claimant, provide them with labor

market information, and develop a reemployment plan. OED staff share resources to address barriers to employment, match claimants to jobs, and make referrals to reemployment services and training opportunities. Claimants who have completed their initial RESEA conversation and continue to claim benefits and do not report earnings may be selected for a subsequent RESEA conversation.

- **Business Services** – In serving all Oregon businesses, Workforce Operations uses a customized business-service model to assist employers with issues related to recruitment, training, and tax credits. This is especially helpful for employers with fewer than 50 employees, as well as those connected to targeted employment sectors as identified by local workforce development boards. Business services staff play a significant role in connecting job seekers with employment opportunities, and this role is dependent on WSO’s efforts to build and maintain successful relationships with businesses. A strong job development approach creates opportunities for applicants and businesses. Table 1 provides some data on business services provided in program year 2020, though during the pandemic we served fewer businesses than in years past.

Table 1 – Program Year 2020 WSO Business Services Data

Category	PY 2020 Data
Total Business served	9,931
Total Staff assisted job listings	1,513
Self-Referral job listings	275,227
Job listings downloaded from the National Labor Exchange	171,929
Total staff-assisted hires	1,292
Total self-referral hires	3,132
Total staff-assisted placement and self-referral hires	54,032

Employment services are delivered in partnership with other state agencies, educational providers, and community and nonprofit organizations, as part of Oregon’s workforce development system and WSO centers throughout the state. WSO is a network of public and private partners that work together to effectively respond to workforce challenges through high-quality services to individuals and businesses, resulting in job attainment, retention, and advancement. WSO partners include:

- Higher Education Coordinating Commission (HECC) – Office of Workforce Investments
- HECC – Office of Community Colleges and Workforce Development
- Local Workforce Development Boards
- Oregon Bureau of Labor and Industries (BOLI)
- Oregon Department of Human Services (ODHS) – Self Sufficiency Programs
- ODHS – Vocational Rehabilitation (VR)
- Oregon Commission for the Blind (OCB)
- Senior Community Service Employment Program (SCSEP)
- Oregon Housing and Community Services (OHCS)
- Oregon Department of Corrections (DOC)
- Oregon Youth Authority (OYA)

OED contracts with the ODHS to deliver employment services to participants in Oregon’s Supplemental Nutrition and Assistance Program (SNAP) through the SNAP Employment and Training Program (STEP) and Able-Bodied Adults without Dependents (ABAWD) programs. STEP and ABAWD provide one-on-one employment and training services to help SNAP recipients achieve and maintain their employment goal. OED staff assess the participant’s skills, career interests, employment goals, and challenges. Assessment results are captured in the form of an Opportunity Plan. The plan defines the steps needed for the participant to achieve their stated employment goal. OED staff case manage and document the participant’s engagement in services such as skills assessments, work search preparation, referral to education providers, and job placements. Support services are available to

ABAWD customers for assistance with transportation, tuition, identification documents, job search clothing, tools, drug screens, and other employment-related costs. Services also are provided by other employment and training providers including the Oregon Community College Consortium, non-profits, and community-based organizations throughout the state.

Workforce Operations also provides Title 1 services under a contract with the Rogue Workforce Partnership, the local workforce development board for Jackson and Josephine counties.

These programs and services are supported by the WorkSource Oregon Management Information System (WOMIS). This network, or environment, supports various applications including:

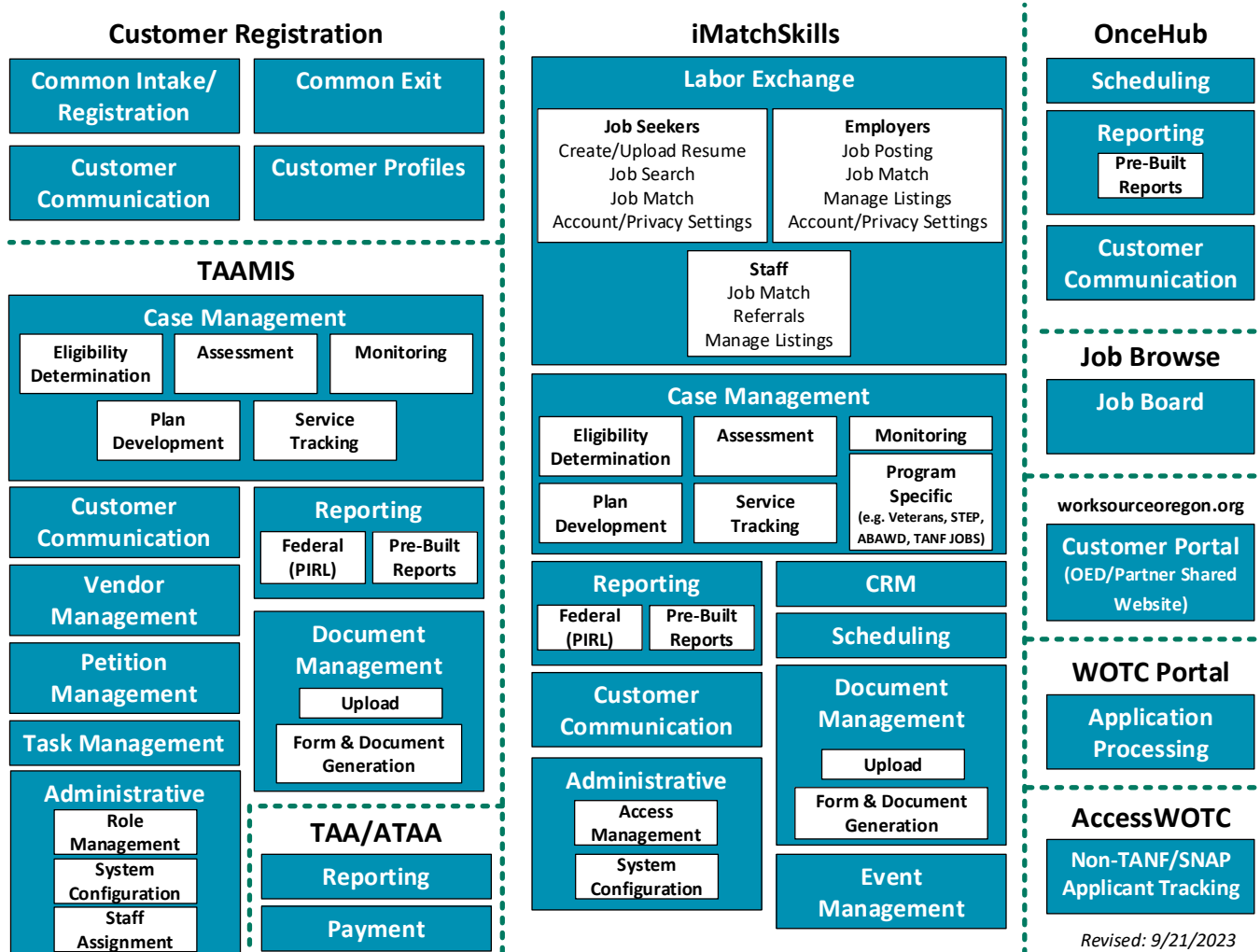
- Common Customer Registration, where WSO customers create an account that captures information to help determine potential eligibility for programs (e.g., Wagner-Peyser, Adult and Dislocated Worker, MSFW) across state agencies and community partners under the WIOA². Customer Registration captures required data elements for federal and state reporting purposes, including tracking the common exit date for federal reporting. Information from Customer Registration is made available to I-Trac, the statewide case management information system for Title I Adult and Dislocated Worker and Youth programs.
- iMatchSkills, a web-based system piloted in 2003 and launched in 2004, provides labor exchange functionality helping to connect job seekers with employers. iMatchSkills allows job seekers to create customized profiles, identify skill gaps, and search for jobs. Employers are able to set up accounts, post and manage job listings, and view the qualifications of potential candidates. Jobs are also imported from outside sources such as National Labor Exchange. iMatchSkills was originally designed, developed, and launched as a labor exchange system. Since its launch, the system has expanded to provide case management and reporting functionality for the following programs: Veterans' Employment Services, RESEA, Monitor Advocate System, and FLC. iMatchSkills also provides case management and is the system of record for the multi-agency STEP and ABAWD programs.
- Trade Adjustment Assistance Management Information System (TAAMIS), an internal application providing case management, vendor management, reporting, and other functionality to support the administration of participant activity in federal Trade Act programs. Trade Act also utilizes an in-house, mainframe financial system for vendor and Reemployment Trade Adjustment Assistance (RTAA) benefit payments.

In addition to serving customers and employees, these applications support federal program reporting requirements and allow us to track operational and performance measures. To facilitate reporting, data is transferred to OED's data warehouse and used in analytical tools such as Oracle Business Intelligence and Tableau.

Figure 2 provides an overview of key high-level functionalities provided by these systems.

² Upcoming changes are planned in Customer Registration that will change the questions and information captured.

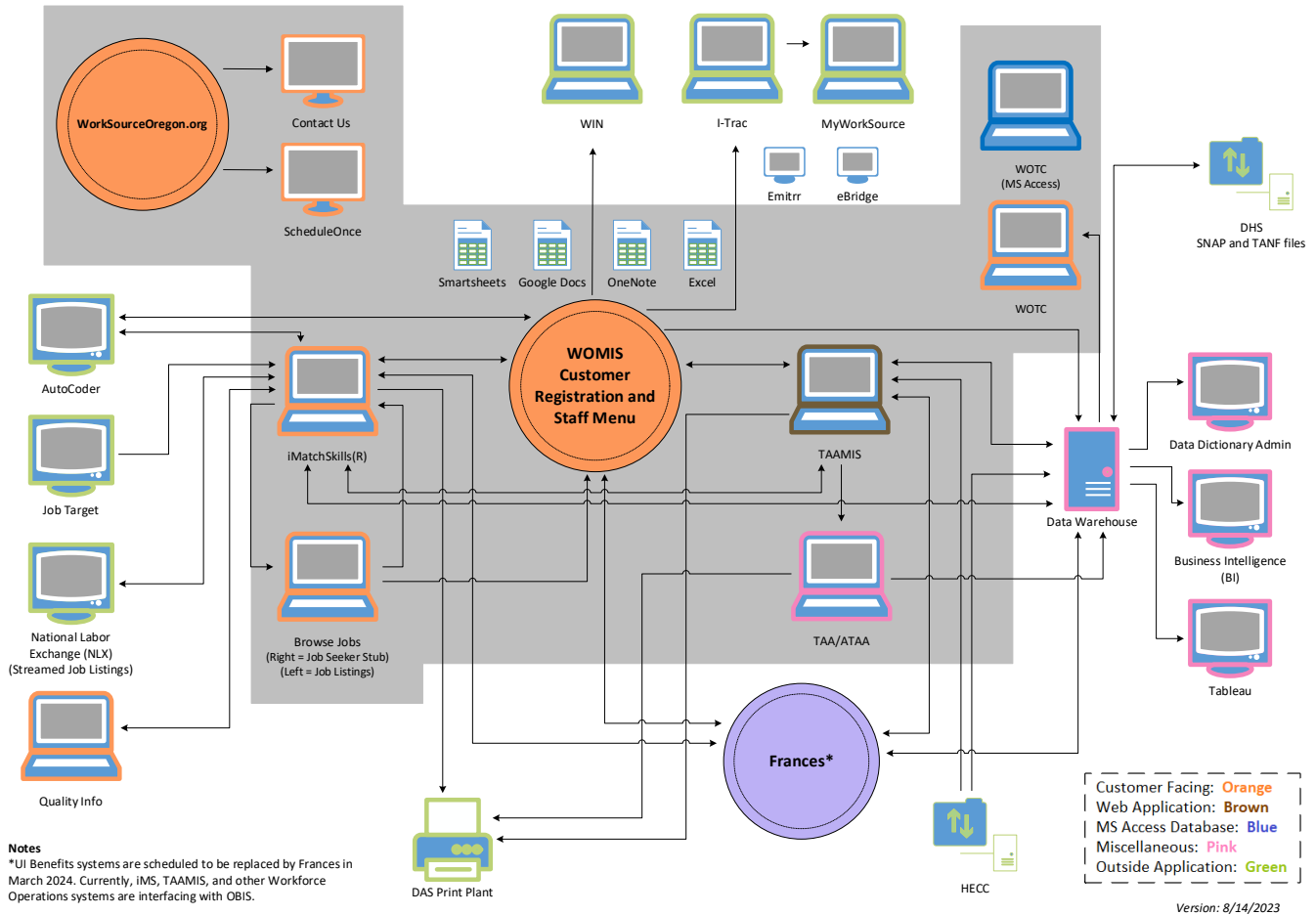
Figure 2 – System Functionalities



Revised: 9/21/2023

OED’s Workforce Operations systems are connected with several internal and external systems to facilitate service delivery and reporting. For instance, iMatchSkills is linked with numerous OED systems providing information on UI claim records, employer tax records, historical wage data, and local labor markets and occupational data. Figure 3 provides an overview of these relationships; items in the gray-shaded box are in scope for the Workforce Modernization Project.

Figure 3 – System Relationships



Workforce data is shared with Oregon's Performance Reporting Information System (PRISM), which produces information about the effectiveness of workforce system programs and services.³ PRISM is a statutorily required program (Oregon Revised Statute (ORS) 657.734) established to collect, analyze, and share statistical and demographic data for the development and reporting of workforce system performance measures. PRISM collects and analyzes administrative and demographic data from workforce and education partners and programs, including Temporary Assistance for Needy Families (TANF), Vocational Rehabilitation, SNAP, Title 1B (Youth, Adults, and Dislocated Workers), Employment Services, Unemployment Insurance, and Trade Act.

Additional applications and tools, which are vendor supported, include:

- Scheduling tool (OnceHub) that allows customers to schedule an appointment with an employment specialist. From September 16, 2021 (when the system launched) through June 30, 2022, over 30,000 appointments were scheduled using this tool. Almost 20,000 of those appointments were virtual appointments, with the remainder being either in-person appointments (about 10,000) or computer appointments (1,200).
- WOTC online portal, contracted through Computer Systems Design Company, that supports the receipt and automated processing of WOTC applications from employers.
- AutoCoder that is used to assign occupational codes to job listings.

OED has partnered with LinkedIn and Google's Grow with Google to offer additional services for businesses and job seekers.

³ <https://www.qualityinfo.org/pm>

- The partnership with LinkedIn began July 2020 to increase outreach to fill open job opportunities and create stronger virtual community connections. To date we have grown our presence to over 11,000 followers, gained national recognition, and resulted in 111 quality hires with up to six figure salaries. Based on this success, WSO recently extended its LinkedIn partnership for three more years.
- The partnership with Google began in 2021 to help customers gain new in-demand skills. The partnership offers 1,000 scholarships to provide customers online training at no cost in the following areas: data analytics, project management, IT support, and UX design. Based on the success of this partnership, we continued the scholarship program into 2022 and added an advanced course offering of Google IT Automation with Python. To date, we have 220 learners currently earning certifications in all Grow with Google programs.

IMPACTS FROM THE COVID PANDEMIC

The COVID pandemic altered the way we provide employment services to job seekers and employers. In spring 2020, WSO centers closed to in-person services and did not fully reopen until summer 2021. During the early stages of the pandemic, roughly 400 Workforce Operations employees assisted the UI Division in answering calls and emails, processing claims, assisting those with language access needs, and helping with training and coordination to implement new programs.

During this period, the department shifted to a virtual service delivery model and implemented modifications and enhancements to assist customers. In 2021, Workforce Operations migrated 20 WSO centers' phone systems to allow integration with the rest of the WSO centers across the state. Beginning in July 2021, Workforce Operations implemented a virtual "Contact Us" form, in English and Spanish, to provide job seeking and business customers an alternate pathway to connect with WSO staff. Due to its online accessibility, customers could use it at their convenience; OED WSO staff from across the state support this resource, triaging and responding to customer requests for assistance. OnceHub, an online scheduling tool, launched in 12 languages and gave customers the ability to schedule virtual and in-person appointments with staff, or schedule time to use a computer within their local WSO center.⁴ RESEA conversations shifted to telephone and virtual conferencing interactions. Workforce Operations staff hosted drive-thru job fairs that connected employers with job seekers who remained in their cars for interviews, and virtual hiring events to bring employers and job seekers together online. Additionally, statewide workshops shifted to a virtual environment, in English and Spanish. These workshops include resume writing, interviewing, virtual interviewing, networking, soft-skills, and applying for state jobs. The agency also piloted a series of workshops in 2021 titled Rethinking Job Search. This pilot, delivered in a virtual environment, teaches job seekers cognitive behavior techniques to boost their confidence, supporting their reemployment goals.

We continue to re-evaluate how we provide employment services and search for ways to continue to expand service delivery options that support Oregon's diverse communities. For example, in considering societal shifts and how consumers, across numerous industries, increasingly desire virtual service delivery options, we initiated the Statewide Service Delivery model in March 2023. Although this model continues to evolve, one notable milestone is the August 2023 launch of the virtual assistant chat bot. This tool provides customers an alternate way to virtually connect to services that best support their immediate needs (e.g., job search assistance and virtual appointment scheduling). Additionally, this model is laying the groundwork for the exploration of an on-demand virtual lobby where customers can receive real-time support from OED WSO staff, in a virtual environment, and without the need of a virtual appointment.

CURRENT STATE CHALLENGES AND OPPORTUNITIES

⁴ OnceHub is offered in 12 languages: Amharic, Arabic, English, Farsi, Korean, Laotian, Russian, Simplified Chinese, Somali, Spanish, Traditional Chinese, and Vietnamese.

Information technology is one essential component of efficient service delivery. As a public agency, being responsive to Oregonians and Oregon businesses is core to our operating principles and agency mission. Our business needs, including our increasing focus on equitable access, have outgrown our existing systems. These systems do not allow us to meet the changing needs and expectations of our customers and WSO partners, who also support modernization of our current legacy technology tools.

The challenges (current-state pain points and issues) and opportunities (desired future state) addressed by system modernization cover all aspects of our work. Through initial work with the ITSC and EIS, and conversations with staff and partners, including visits to 20 WSO centers, we have documented and analyzed current-state challenges and opportunities, with themes emerging around customer service, business processes, data, and technology. These challenges and opportunities have since been reinforced by the pandemic. Note, the potential solutions to these items span the spectrum from technology to changes in processes and policies, or a combination of changes to the two. Also to effectively address many of these issues we'll need input and collaboration from our partners and customers.

CUSTOMER SERVICE

There is an ongoing business need to continually improve services and system usability to meet ever evolving technology and customer service models and to support underserved communities. This is reflected through customers' interactions with our systems, and how the systems support staff interactions with customers and partners.

Job Seeker Registration – The current job seeker registration is a two-step process, where job seekers create an account in Customer Registration, which also determines initial program eligibility for Titles I and III under the WIOA, and then complete their profile in iMatchSkills. For those job seekers who are also UI claimants, completing this two-step process is a UI eligibility requirement. This process is frequently identified by WSO staff as a pain point. To start with, Customer Registration and iMatchSkills are two separate systems where job seekers either do not complete their registration thinking they are done after the first step or staff have to provide further instruction to them. Moreover, if the job seeker initially completed this two-step registration without their social security number (SSN) but then filed for UI benefits, the UI system recognizes that the claimant does not have a registration connected to their SSN and it will auto generate a “stub” record. To remove the stub record, technical support staff are required to manually merge both the non-SSN and the SSN accounts into one; failing to perform the merge will impact the customer's eligibility to their UI claim. Overall, this isn't a new challenge. A 2012 report – *iMatchSkills: Future Considerations and Recommendations* – by Radha Consulting, which analyzed findings from surveys, focus groups and internal assessments noted: “iMatchSkills should be simple enough for the majority of job seekers and not require extensive staff assistance in creating their profile or applying for jobs. This would enable staff to focus on providing other value-added services to job seekers.”

Opportunity – There are opportunities to streamline the registration process to create a seamless flow, while supporting various programs' needs. Integrated and user-friendly applications and tools can simplify and personalize the registration process, help job seekers create resumes and cover letters, and explore careers and next steps. Additionally, to support job seekers who are also UI claimants and therefore are required to register for employment services (per federal law, ORS 657.159, and Oregon Administrative Rule (OAR) 471-020-0020), we can explore opportunities to improve the WSO-UI connection as we modernize our systems. This could include streamlining work search reporting for UI claimants, such as by having information from the new Workforce Operations system(s) send data to Frances to be recorded in their UI claim.

Scheduling – Currently, job seekers and staff use multiple tools to schedule appointments or workshops. Job seekers schedule virtual appointments with staff using OnceHub. As a side note, we learned during the pandemic that we can support customers outside of the WSO centers through virtual appointments and job


fairs. Data from our scheduling tool – OnceHub – show customers prefer, about 3 to 1, virtual appointments. However, OnceHub is not integrated with any of our other systems (e.g., Outlook, iMatchSkills) and centers manage staff availability with other tools (e.g., Outlook calendars, Smartsheet, Excel). Additionally, ODHS schedules ABAWD appointments for customers using iMatchSkills; however, the system does not notify staff when an appointment is scheduled and OED staff must regularly check iMatchSkills. Lastly, customers register for statewide virtual workshops through WorkSource Oregon using OnceHub or local workforce area workshops using MyWorkSource. Overall, between OnceHub, Outlook, iMatchSkills Scheduling Tool, LinkedIn Appointments, and other locally driven systems, customers often contact a center for their appointment, requiring staff to check multiple appointment schedulers.

Opportunity – The principal scheduling tool – OnceHub – is a separate system that could be incorporated into a modern solution to make it easier for staff and customers to schedule, view, edit, and track appointments. Additionally, a future scheduling tool could incorporate notifications and reminders, as well as be expandable to include other programs such as Trade Act.



Language Accessibility – Currently, systems (e.g., Customer Registration and iMatchSkills) and programs (e.g., STEP and ABAWD) are available in different languages but not necessarily the same ones. WSO staff have noted this as a pain point because as they provide services to a customer, one resource may be available in the customer’s desired language, but another needed resource is not and they must alter service delivery while they work to get the resource translated for the customer. Customer Registration, for example, is available in English and Spanish, however, the self-attestation step is also available in Russian and Vietnamese. OnceHub and WorkSource.org are available in 12 languages. In iMatchSkills, most of the letters, forms, emails, and other communication items are available in English and Spanish with the exception of the STEP Opportunity Plans, which are also available in Russian and Vietnamese. Additionally, in iMatchSkills the occupational code selection page is partially available in Spanish (see Figure 4 below for an example), and occupational information from QualityInfo displays in English and Spanish. However, the main pages of iMatchSkills are only available in English.

Opportunity – To reduce barriers and better serve all customers, there are opportunities to expand the availability of webpages, letters, and forms in other languages. This expansion also means we can increase our support to Oregon’s non-English speaking employer communities, as currently much of our translated material is developed for job seekers.

Figure 4 – Example of Occupational Code Translation in iMatchSkills

[Vea ocupaciones en español](#) 

Indicate your experience in each occupation, unselect occupations, or add more occupations

Select	Occupations you are seeking	Experience
<input checked="" type="checkbox"/>	Bill and Account Collectors Cobradores de facturas y cuentas	None 
<input checked="" type="checkbox"/>	Chefs and Head Cooks Chefs y jefes de cocina	None 

Accessibility via Plain Language – Staff report that job seekers rely on staff to explain what questions (e.g., Customer Registration) and letters mean as the wording within these materials is confusing. Staff explain that they understand the content because they have “worked in the system long enough to learn” but our customers do not have that experience. Moreover, this issue is exacerbated when a (vendor) language interpreter translates the document because they do not understand our business and therefore, misinterprets the meaning and context for the customer.

Opportunity – As we modernize our systems there are opportunities to review questions, forms, and other verbiage. We can rewrite and structure content for our diverse customers to more accurately and easily gather the needed information, communicate information and services, and guide them through the system.

Services – As summarized above, WSO staff provide a variety of services to individuals and businesses and administers several programs. Looking at the labor exchange functionality, it is not easy to apply directly to job listings within iMatchSkills. Staff report that current systems (iMatchSkills and Browse Oregon Jobs) feel segregated when considering the resume-to-application process. Resumes uploaded to iMatchSkills cannot be edited, modified, or customized within the tool, nor can multiple resumes be uploaded. The iMatchSkills Work History tool is not professional in appearance and is easily distorted due to its direct relationship with the customer’s UI claim. These issues impact a customer’s ability to apply quickly and professionally to job listings found within current systems.

Opportunity – Based on vendor and state demonstrations, modern systems offer customers more flexibility and functionality. Job seekers are able to personalize and more easily edit their resumes, and employers have more tools and flexibility to create and manage job listings. These systems are able to more easily guide customers to services and provide information such as labor market information. There are also opportunities to explore how the future system could support statewide service delivery (e.g., provide better and more information about local area resources, employers, etc.) and continue to evolve with workforce trends, either through virtual delivery of services or enhanced self-service functionality. Lastly, as the Paid Leave Oregon program settles into production, there are opportunities to explore ways to help employers find workers when they have employees who take paid leave.

Customer Service (Key Performance Measure) – Workforce Operations has two key performance measures around customer service satisfaction – one for job seekers and another for businesses. These metrics measure the percent of customers rating their satisfaction with the agency’s overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information as *good* or *excellent*. Through March of state fiscal year 2022, the average ratings have been below the annual target of 95.5 percent with job seekers rating the overall quality at 78.3 percent and businesses rating the overall quality at 58.2 percent.

BUSINESS PROCESSES

Job Matching – In iMatchSkills job matching occurs when an individual (either staff, job seeker, or employer) initiate the process, without this step the connection between a candidate and an employer via a job listing referral does not happen. Moreover, job matching is based largely on occupational codes and keyword searches. Due to similarities between occupational codes, as well as the subjectivity of using keywords, the process to locate candidates who are a strong match with the employer’s requirements can be difficult. For instance, staff or employers can only enter one occupational code for a listing, and if a job seeker does not have that exact code listed within their profile they will not match to the listing.

Opportunity – Modernization provides the opportunity to enhance how job matches are performed, for both job seekers and employers, by offering more robust and flexible match and search criteria (e.g., search for jobs by radius, search by occupational group, ability to save search criteria). Modern systems provide automatic job matching and notification functionality, which can save time for customers (both job seekers and employers) and staff. A modern system could reduce the friction currently seen within the job match-notification-referral process, while also helping to guide job seekers by showing gaps in their experience related to a job listing.

Communication – The agency’s heavy reliance on email, phone calls, and letters to communicate is inefficient and potentially leads to missed opportunities for customers. An example is the time-intensive process of creating detailed email correspondence. Currently, staff utilize Outlook to send emails to customers and often have to reference iMatchSkills or other systems for information. Once the email is sent, staff must then manually transfer the communication into the current systems for tracking. Also if staff want to send information to multiple customers (such as informing veterans about a job fair) staff have to individually pull emails from each account.

Opportunity – Modern communication options, such as texting, chat, robust internal messaging, and other platforms (to notify customers about job opportunities, job matches, scheduled appointments, and special events among other items), would expand opportunities for delivery and promotion of events and services. Integrating messaging to customers in a modern system will allow for one source of record and the ability to more easily track interactions. More importantly, we would be able to communicate with customers using their preferred method of communication.

Customer Relationship Management – Similar to the communication items previously noted, how we track communication with employers and individuals creates inefficiencies in processes. Currently, interactions are manually tracked as notes in the system(s). Staff have created workarounds, such as using OneNote, to track items (e.g., confidential case notes) that cannot be tracked in iMatchSkills. Business Services staff use Smartsheet to track outreach efforts as much of this information (e.g., job fairs, assisting employers without an iMatchSkills account) cannot be tracked in iMatchSkills. Also the vast majority of WSO centers have created some sort of customer tracking system (i.e., daily log) for in-person customer flow (e.g., how many people are coming in, why, when, etc.) and virtual appointments. Tools used by the centers include Google Docs, Smartsheet, and Excel, and staff often copy information from one source to another, including adding tracking note in iMatchSkills.

Opportunity – There are opportunities to improve how we track a job seeker’s journey from the initial Welcome Conversation to next steps as well as employer outreach and recruitment activity. Federal programs, such as Trade Act, have additional needs that require tracking notes, benefits, and document storage for full case management program service delivery. Also we don’t want to duplicate employer outreach, as other community partners work with employers. As we approach modernization, we can explore how the system could support relationships with employers and job seekers and greater coordination among partners as well as internal among staff.

Document Management – Current systems have limited document management capabilities, such as the ability for customers to upload, manage, and view multiple documents. For instance, currently job seekers can only upload one resume at a time, eliminating the opportunity to store and customize their resume to a specific job listing or employer recruitment activity. This limited capability extends to staff as they too are limited in what they can upload to a job seeker’s profile. These limitations are exacerbated when document signatures are required (e.g., the Release of Information form) as staff are required to create workarounds to ensure these documents are correctly filled out as the system is not currently capable of handling this need. Neither staff nor the employer can upload documents to the employer’s profile.

Opportunity – The ability to create, review, update, share documents (e.g., resumes, individual employment plans, etc.), and electronically sign documents within the system will facilitate productive interactions between staff, job seekers, and employers. Developing a public-facing portal for TAA would allow participants to upload documents (e.g., plans, grades), complete tasks, and respond to information requests. Additionally, for STEP participants there is no STEP-specific information (e.g., Opportunity Plan) available in iMatchSkills, only the staff view. Similarly, DVOPs print out information for veterans because that information is not available online, and staff often email RESEA plans and information to job seekers. For these programs, it would be useful if the customer could access and manage these plans and information in their own portal.

Case Management – In the current state, customers are often the messengers between programs and the services they’ve received as staff are not able to see all of the services or referrals provided to the customer. Case notes are tracked in multiple systems (e.g., iMatchSkills, TAAMIS, I-Trac, Google Docs, OneNote, paper files, etc.), and even if the notes are in the same system (e.g., iMatchSkills) they may not be visible to all staff. Certain types of notes are confidential for specific reasons. However, staffs’ inability to access all case-related

information makes it difficult to make meaningful referrals, address barrier removal, and/or avoid the duplication of services. It also creates extra burden on the customer, potentially re-traumatizing them, as they have to retell their “story” to staff, specifically if a customer has more than one case manager or is interacting with multiple staff.

Opportunity – Modernizing our systems and processes offers the opportunity to explore greater integration and data sharing across programs and with partners. It also creates opportunity to approach case management from a trauma-informed lens and increase our ability to provide appropriate, thoughtful, and meaningful wrap-around services and referrals.

Task Management – Across the state and among programs, staff use different tools (e.g., Smartsheet, Excel, Outlook, OneNote, Google Docs, etc.) and methods to manage their work. These tools and methods are not universally applied and vary between WSO centers, programs, and staff. For instance, for the STEP program, staff in Central Oregon use Smartsheet to track referrals and to assign and manage work related to customer engagement and program administration. This information is then pulled and its data scrubbed so it can integrate into other reports, all of which is done manually. For the JVSG program, DVOP staff must engage with their caseload of veteran customers at least once every 30 days to provide services; failure to make this connection results in the veteran customer auto-exiting the program. Each DVOP manages how they will execute this work and which tool(s) they will use differently. This inconsistency impacts program support, especially with respect to strategic and succession planning.

Opportunity – A modern system with more robust task management functionality could improve efficiencies in service delivery, reduce staff administrative burdens, and reduce the amount of data duplicated in spreadsheets or other tools. For instance, a future system could allow staff to easily pull a list of customers (and sort and filter that list by various fields), show last appointment or service, and next appointment. Additionally, having a system remind staff of follow-up appointments or notify them when customers are about to auto-exit a program, could improve program outcomes. Also a central location, accessible to others could provide greater staff flexibility (for instance, if a DVOP needs to help another staff with their caseload). Similarly, having tasks assigned and managed within one integrated system could assist with performance reporting and scheduling.

Payments and Reconciliation – iMatchSkills was not designed to be a payment or a financial tracking system. However, as we have started providing services for the STEP and ABAWD programs, staff have had to create processes to track and reconcile purchases. Across regions these processes might vary and purchases are tracked in multiple locations. Staff often have to review tracking notes to determine how much was spent on a customer and to manually calculate amounts remaining to ensure they don’t over support service funds.

Opportunity – Integrating financial functionality in the future system could allow for more effective and efficient tracking. Besides providing functionality for the STEP and ABAWD programs, this would also support the TAA program.

Event Management – To support Oregon employers, staff across the state create and manage job fairs, employer meet-and-greets, and other hiring events. This work requires staff to use multiple systems (e.g., Outlook, iMatchSkills, Smartsheet, WorkSourceOregon.org, etc.) and tools (e.g., flyers, emails, social media). Some staff and WSO centers use other systems to support these events (e.g., Eventbrite, Survey Monkey, LinkedIn Content Calendar, etc.). However, as some of these resources are locally managed, the system lacks universal guidance on how and when to use these resources, as well as how to maintain the data and information captured within them. Moreover, as these events are responding to employers’ real-time labor market needs, a sense of urgency in response time and execution are necessary, yet due to the system’s lack of agility it is not always equipped to meet this need. For instance, to utilize human-translation vendor services to translate flyers and other media into various languages, it takes several weeks to execute this work; however, due to labor needs, employers want their recruitment activities to start sooner. This incongruence impacts not just employers but also job seekers’ equitable access to these events. Finally, for each event that is created and

managed by WSO staff, staff from multiple OED divisions are needed to execute this work (e.g., Workforce Operations and Communications).

Opportunity – A modern system with more robust event management could improve efficiencies and effectiveness in service delivery, broaden and streamline event outreach and marketing, reduce staff administrative burdens, and improve reporting while strengthening employer and job seeker connections. Furthermore, taking a thoughtful approach to technology-based language translation tools could eliminate barriers and assist in improving agility in our response time while also ensuring job seekers' equitable access to events.

DATA

Data Access and Reporting – Current systems have limited ad-hoc reporting and data query capabilities. Data retrieval from iMatchSkills often requires technical assistance. Additionally, iMatchSkills currently does not generate what U.S. DOL requires for JVSG reporting. Some required quarterly report elements must be derived from multiple systems or spreadsheets (e.g., Excel, Smartsheet, Google Sheets), through laborious, manual, and lengthy processes. For instance, gathering FLC program statistics and simply managing the program requires manually gathering data from three different Excel spreadsheets. Business Services tracks outreach and other activity in a Smartsheet, as either iMatchSkills does not accommodate the tracking or the employer isn't registered in iMatchSkills. Staff and managers also use Oracle BI and Tableau for reporting. Managers also lack the ability to easily pull reports on staff work and activity. Lastly, at times, the systems are overloaded, and the process must be reinitiated multiple times for the finished report.

Opportunity – There are opportunities to simplify data collection, synthesis, and reporting structures. This could occur by establishing one source or portal for reporting, or greater integration of different reporting tools. As the agency continues to deliver services virtually, there are opportunities to revise reports to account for both in person and virtual service delivery models. For instance, managers would like to know what staff are doing (e.g., virtual vs. in-person appointments), where are customers geographically located versus which WSO center they are receiving services from and how are they being served.

Data Sharing with Partners – The OED works closely with the ODHS, HECC, the state's nine local workforce development boards, and other WSO partners to improve outcomes for job seekers. In cooperation with our partners, we have developed agreements to define roles and responsibilities, operational standards, workflow, and shared performance measures as required by the WIOA. However, current systems have limited integration; for instance, iMatchSkills and I-Trac (the case management system used by the local workforce boards) currently do not exchange data such as services provided. As noted in a 2022 report prepared by the Coraggio Group in partnership with the American Institutes for Research "the various entities that make up WorkSource Oregon are siloed in their approach and lack integration of service delivery, resulting in a system that is not positioned to leverage resources for collective impact."⁵ As learned from visiting WSO centers, staff are currently bridging these gaps in system integrations through relationships.

Opportunity – As we modernize there are opportunities to work with partners to improve the integration and sharing of data to enhance reporting and service delivery. This aligns with Oregon's 2020-2023 WIOA State Combined Plan that notes: "Integrating data across information systems is key to local service delivery and is critical for maximizing accountability and

⁵ Coraggio Group. (2022 December). *WorkSource Oregon Continuous Improvement Governance Assessment Report*. https://www.oregon.gov/workforceboard/data-and-reports/Documents/WorkSource%20Oregon%20Governance%20Assessment%20Report_Final.pdf

transparency. The state remains committed to exploring ways to better link information systems and offer “no wrong door” access to all customers.”⁶

TECHNOLOGY

Usability and Navigability – Staff and partners have repeatedly noted that iMatchSkills is outdated, rigid, not user friendly, and difficult to navigate (e.g., multiple clicks to access information). Staff have mentioned that employers and job seekers often prefer to use other tools (e.g., Indeed, LinkedIn) to post job listings and search and apply for jobs. Also the current setup of Customer Registration and iMatchSkills often requires staff to navigate between the two applications. For instance, staff search for a job seeker in Customer Registration to find the job seeker ID and then they use that ID to find them in iMatchSkills. Additionally, two key findings from the Radha report (mentioned above) are: “iMatchSkills’ current user base is strong but can be further improved by enhancing usability and functionality” and “iMatchSkills is complex and difficult to use for a majority of users.” This not only impacts the direct delivery of services, but also the perceived usefulness and value.

Opportunity – As we look forward to the future, there is potential to design the system from a customer-focused rather than a program-focused perspective. A modern system could help guide users and recommend next steps. It could accommodate users with varying levels of digital literacy and provide online, context-specific help (e.g., what does this term mean, why are certain data fields useful/helpful) for both staff (e.g., services, indicators, etc.) and customers. Additionally, it could improve efficiency by providing staff with more time to focus on conversations with customers rather than entering information into the system.

Mobile Platforms – Current systems are not mobile friendly (either through a responsive design or the availability of a mobile application). This impacts our ability to deliver services and interact with customers throughout the state, as well as our ability to equitably serve customers.

Various studies have shown that lower income households are less likely to have a desktop or laptop computer and thus are more reliant on their smartphones for internet access. For instance, a paper published by the Pew Research Center in June 2021 notes “As of early 2021, 27% of adults living in households earning less than \$30,000 a year are smartphone-only internet users – meaning they own a smartphone but do not have broadband internet at home.”⁷

Data from the U.S. Census Bureau notes disparities in households with a desktop or laptop computer based on demographics and socioeconomic status. For instance, based on data from a U.S. Census Bureau report (*Computer and Internet Use in the United States, 2018*), 50.9 percent of households with less than \$25,000 of household income have a desktop or laptop, compared to 84.2 percent of households with \$50,000-\$99,999 or higher percentages for higher income households.⁸ Looking at the race and Hispanic origin of the householder, 64.0 percent of Black alone, not Hispanic households and 67.9 percent of Hispanic households have a desktop or laptop computer compared to 81.1 percent of White alone, not Hispanic households. The report also notes, “Differences in ownership or use of smartphones across households headed by each race and Hispanic origin group were smaller than differences in desktop or laptop ownership or broadband subscription.”

Opportunity – Staff report a high desire for a mobile platform as customers access services from a smartphone, not a laptop, computer, or tablet. Although staff report that they work with a large number of customers who “do not have computer skills” or who are not “tech savvy”, they

⁶ Oregon’s 2020-2023 WIOA State Combined Plan.

<https://www.oregon.gov/workforceboard/about/Documents/Handbook/05.Oregon%27s%20Workforce%20System/Oregon%202020-2024%20WIOA%20Combined%20State%20Plan.pdf>. Page 28.

⁷ Vogels, Emily. (2021, June 22). *Digital divide persists even as Americans with lower incomes make gains in tech adoption*. Pew Research Center. <https://www.pewresearch.org/fact-tank/2021/06/22/digital-divide-persists-even-as-americans-with-lower-incomes-make-gains-in-tech-adoption/>

⁸ Martin, Michael (2021 April). *Computer and Internet Use in the United States: 2018*. U.S. Census Bureau. <https://www.census.gov/content/dam/Census/library/publications/2021/acs/acs-49.pdf>

do state that these customers have and use their smartphones. Overall, a mobile friendly system will improve access to services and our ability to conduct outreach and connect with our customers.

Multiple Systems – WSO relies on multiple systems to serve job seekers and employers and to meet federal performance reporting requirements. These increasingly fragmented, disconnected systems create challenges for staff to track customers from program to program and across the workforce system and the multitude of partners such as other state agencies and non-profits. Multiple case management systems make it harder to work together, align user experiences, improve operational efficiencies, and measure program impacts and outcomes across workforce partners. Staff must often log into multiple platforms to access real-time data as well as enter notes into these systems; this expends staff time that could be better utilized serving customers. Also given the current architecture and programs administered, a change in one system could negatively impact another system if all impacts are not fully analyzed.

Opportunity – There are opportunities to align and simplify the architecture to remove program siloes and evaluate system and service integration to support two of the project’s goals – enhance customer service and transform business processes.

Maintenance and Support – Though our current systems offer the ability to make in-house system changes, the network of WOMIS applications used to deliver labor exchange services and track customer participation across programs has become increasingly complex and burdensome to maintain. This often creates challenges and delays in updating applications to support new business processes and federal mandates. Furthermore, as applications and/or functionalities are designed, new user access requirements are also needed, which can be different for staff who belong to the OED versus other WSO partnering organizations. These new access requirements, coupled with the pre-existing user access profiles, compound the already arduous process of identifying the correct user profile combination needed to execute the staffs’ assigned work tasks.

Opportunity – As we modernize our workforce systems, how we maintain and support our future system(s) is critical for supporting our programs, customers, and staff. We must ensure the future system(s) has ample administrative control to add or remove services, update maintain access controls, and add elements for reporting (e.g., a new service that would count toward a federal reporting element). In relation to code or configuration changes needed by the vendor, we’d want transparency and an open line of communication, such as discussions regarding functionality that we would want changed and how we could approach those changes. Also we will need IT support when there is a question around how something functions or if a system issue arises.

Workforce Modernization Project

The Workforce Modernization Project is chartered through the Modernization Program. Its purpose is 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.

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 are adopted by the Workforce Modernization Project and incorporated into the project’s management processes.

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 Workforce Modernization Project delivers the expected outcomes and benefits.

The project will adhere to established oversight requirements and follow project management standards and practices as described within the Project Management Institute's Project Management Body of Knowledge.

GOALS AND OBJECTIVES

The primary goals for the Modernization Program and Workforce Modernization Project are listed below. These goals and supporting objectives and metrics are included within the project charter.

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 judgment
- 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 system 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

SCOPE AND REQUIREMENTS

As detailed in the Modernization Program Scope Management Plan, project scope will be defined by the following components:

- Legacy Systems Replaced

- Legacy Systems Impacted
- External Data Transfers and Interfaces
- Internal Data Transfers
- Mandatory Reports
- Business Requirements
- Technical Requirements

Primary functionality that must be supported by a new solution(s) includes labor exchange and case management that supports employment services, business services, JVSG, Monitor Advocate System, FLC, STEP and ABAWD, Trade Act, and RESEA.⁹ Replacement of the system that supports WOTC may or may not be in scope depending on the solution proposed by vendors, as the current system provides the required functionality at an affordable cost.

Additional capabilities that must be included are:¹⁰

- Data management and reporting that supports the collection, organization, and dissemination of federal, state, and ad-hoc reports.
- Career awareness/exploration that supports users in identifying career opportunities and the steps and requirements needed to pursue career goals.
- Customer relationship management (CRM)/employer and job seeker tracking that assists in managing and analyzing interactions with past, current, and potential customers.
- Assessment that supports staff in monitoring progress, identifying eligibility, and creating plans for current and potential customers.
- Training that supports the creation, administering, and tracking of user performance.
- Customer communication and scheduling (for both customers and staff) to interact with customers to deliver services and key program information.
- Fiscal and administrative that supports clerical and organizational needs (e.g., document management).

The new solution(s) must support the connection to and coordination with internal systems such as the new UI and Paid Leave Oregon system, Frances, and our labor market information system, QualityInfo.org. Coordination with UI is required to support staff and internal business processes (such as the tracking and completion of reemployment activities, identification of potential UI issues, and availability of employer and claimant information for registering employers and job seekers in the labor exchange system) and to improve the experience of customers who engage with both UI and workforce systems and services. As one example, when an individual files a UI claim, information is shared with iMatchSkills, and if an individual is selected for RESEA a note is added to iMatchSkills showing the required date of completion. When claimants complete the requirement, data is shared from iMatchSkills to the UI mainframe (eventually Frances) to remove the flag on the claim. Greater integration between Workforce and UI, whether it's through functionality such as single sign on or exchange of information between UI and employment services, can support the customer's experience with the department. Additionally, there are opportunities to work with our Research Division for the provision of labor market information to job seekers and employers.

The modern solution(s) must support integration with external systems and partners, including our Title I and other WIOA partners, or provide functionality that can be leveraged and utilized by partners for shared service delivery. As noted above, staff and customers currently access multiple systems to receive, track, and report on services. WIOA encourages states to improve customer service through integrated intake, case management, and reporting systems. Thus, it will be critical to engage with our partners as we plan for the project and define the future state and scope.

⁹ Parts of the Trade Act program are implemented in the UI Modernization Project. This functionality includes the determination and payment of claims, administration of waivers of training, tracking and review of documents (e.g., grades), and RTAA payments.

¹⁰ These capabilities and descriptions leverage information from the National Association of State Workforce Agencies (NASWA) Workforce Information Technology Support Center (<https://www.naswa.org/witsc>).

The modern solution(s) must support professional (not machine) translations into the agency's priority languages, as detailed in the agency's Language Access Policy and Procedure. It must also support reasonable accommodations and alternate format requests, as detailed in the agency's Reasonable Accommodations for Customers Policy and Procedure.

Project scope components will be further defined as we initiate more detailed planning for the project, including gathering and validating requirements and internal and external data transfers.

To identify the business and technical requirements to support the envisioned future state, we'll begin with the draft requirements developed during the feasibility study with the ITSC. Modernization staff will review and revise these draft requirements with input from business and technical subject matter experts, considering better practices from other states and lessons learned during the UI Modernization Project.

As we move forward, we will engage with key partners, such as HECC, ODHS, local workforce development boards, and other partners, to assist us in developing our future state, defining scope, and ensuring that their needs are addressed for how we share data and connect among our agencies to deliver shared services. Through these conversations we intend to validate our understanding of current processes and how we share data, and discuss how we can improve delivery of services to our common customers. We will also leverage information from our customer satisfaction survey to gather feedback on how we can improve their experience. These engagements and potentially others, which will follow items documented in the Modernization Program Communications and Outreach Plan, will provide input on how we can structure the solution to improve services for our customers and partners.

SCHEDULE

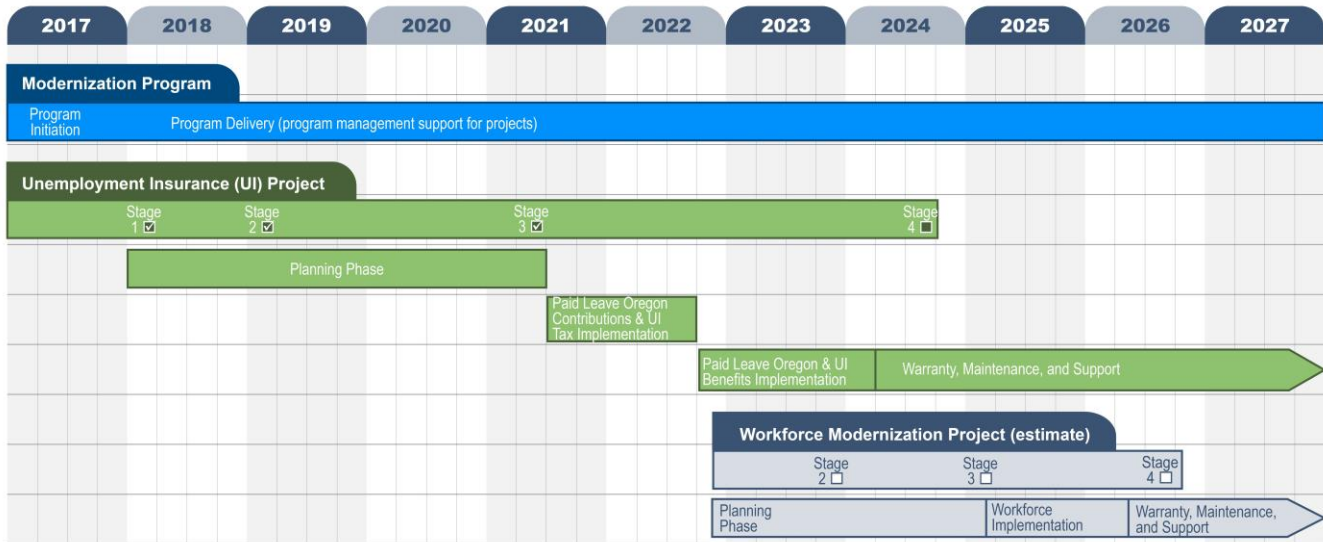
Figure 5 provides a high-level timeline of the Modernization Program and the Workforce Modernization Project. This project will be executed in the 2023-25 and 2025-27 biennia. Based on information gathered during the feasibility study, project execution is likely to last 1 to 2 years depending on number of integration points (more integration points, more time), amount of configuration and extensions, and data migration.

As we plan for the Workforce Modernization Project, we intend to conduct project activities in a sustainable way to reduce the timeframe to realization of benefits to Oregon job seekers and businesses while minimizing project and agency risks. We continue to consider ongoing projects and resource capacity. The agency has limited employees with legacy system knowledge and business expertise, including shared support services, and is currently executing the UI Modernization Project. Capacity constraints will need to be managed carefully to support day-to-day operational needs, changes to existing internal systems to ensure the new UI and Paid Leave Oregon system integrates successfully, and the decommissioning of legacy system functionality. Further, the agency must invest in employees during the project to support implementation, as well as the knowledge and expertise needed to support the new system after the project concludes.

Other factors potentially impacting the schedule include the procurement approach, amendments to existing contracts (e.g., CSG), Stage Gate reviews, new legislative mandates, and economic conditions (e.g., increased agency workload due to a future recession).

The Modernization Program Schedule Management Plan provides information on how the schedule and schedule components will be developed, managed, and reported throughout the duration of the program and its associated projects.

Figure 5 – Modernization Program Timeline



(Information accurate as of 11.08.2023)

BUDGET

The Modernization Program is funded by Federal UI funds, a General Fund loan supporting the implementation of Paid Leave Oregon, and other Federal and Other Fund revenues available to the agency. Use of agency funds is limited by federal and state regulations.

Specific one-time 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. With respect to American Recovery and Reinvestment Act (ARRA) Modernization Funds, U.S. DOL issued guidelines on how this money may be spent as authorized in Section 903(c)(2) of the Social Security Act and 20 CFR Parts 652 and 667, which includes use for application development and other technology that support unemployment insurance and employment service delivery. Out of the total \$85,574,641 Modernization Funds received in 2009, it's forecasted that \$53 million will remain after the closeout of the UI Modernization Project in September 2024. However, this forecasted fund balance does not include any anticipated charges for the work to initiate the Workforce Modernization Project.

The agency has Other Funds and Federal Funds that 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 revenue 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.

Federal Funds available to the agency are limited and generally used in full by agency programs. However, Trade Act Administration Funds may be available at times to supplement modernization efforts for Workforce Operations project activities, specifically case management activities. Additional Federal Funds may be available for modernization activities but would need to be reviewed for the specific grant years available for funding and the allowable uses for those funds.

The use of agency revenues for the Modernization Program will be based on agency priorities for both fund use and operating capital balances. Prioritization of revenue sources available for the Modernization Program and project activities will be identified and agreed to biennially by the Agency Chief Financial Officer (CFO) and agency executive team as part of the agency's Funding Framework.

For the 2023-25 biennium, OED requested \$968,000 Other Funds and \$242,000 Federal Funds for independent quality management services and procurement costs such as DAS and DOJ charges. We will seek potential position authority and expenditure limitation from the legislature through the Emergency Board processes, after we have identified needed positions and vendor resources.

Additional information on budget development, budget management, and reporting can be found in the Modernization Program Budget Management Plan.

STRATEGIC ALIGNMENT

The Modernization Program is a pivotal strategic investment for the agency. Investing in the transformation of our business and technology processes will demonstrate that we are fully engaged in the 2019-2025 Oregon Employment Department Strategic Plan.

- Goal 1: Continually advance our partnerships and systems to provide innovative services to Oregon's diverse people and businesses.
- Goal 2: Engage with communities across the state to maximize awareness and use of public workforce resources.
- Goal 3: Foster an inclusive and fair work environment where employees feel valued and supported in reaching their full potential.
- Goal 4: Invite and retain talented, diverse people to help us exceed our customers' expectations.

Each strategic plan goal is combined with outcomes which harmonize with the overall vision, mission, and values. The efforts of Modernization align with and will help the agency achieve several of these goals and related outcomes.

The Modernization Program and Workforce Modernization Project align with broader statewide priorities and initiatives. The program continues to align with EIS strategic goals, as noted in the 2020-2023 Strategic Framework, as the program looks to implement reliable and user-friendly core technology systems and specifically supports Objective 2 - Establish Legacy System Modernization Strategy. The workforce project provides the opportunity to align with Oregon's data strategy – *Oregon's Data Strategy: Unlocking Oregon's Potential 2021-2023* – as we seek to improve how we use and share data to make informed decisions and deliver services.¹¹ Furthermore, as we plan for the project and evaluate solutions, we will consider opportunities to align with enterprise strategies and frameworks such as *Cloud Forward: A Framework for Embracing the Cloud in Oregon*.

Investing in the Workforce Modernization Project supports alignment with the Governor's Equity Framework – *State of Oregon Equity Framework in COVID-19 Response and Recovery* – specifically with regard to inclusive and increasingly personalized communications and improved online and personal access to services.¹² The project will also utilize OED's Equity Framework to help develop and outline the core elements for engaging with and providing services to communities. Approaching the development of the solution requirements and the eventual configuration and development of the future system through the lens of equity and inclusion will help remove barriers to improve performance and service delivery to job seekers and employers throughout the state.

Lastly, the Workforce Modernization Project aligns with and can support current workforce development efforts to support Oregon's workforce and employers. Senate Bill (SB) 623 (2021) directs the state Workforce and Talent Development Board (WTDB) to establish the Committee for Continuous Improvement to assess the effectiveness of the public workforce development system in the state. Findings from the initial assessment – *WSO Continuous Improvement Committee Initial Assessment Report* prepared by Coraggio Group – include:

¹¹ https://www.oregon.gov/das/OSCIO/Documents/68230_DAS_EIS_DataStrategy_2021_v2.pdf

¹² https://www.oregon.gov/gov/policies/Documents/EquityFrameworkCovid19_2020.pdf

Finding #1 – WorkSource Oregon (WSO) is seen as ineffective in directly connecting Job Seekers to Employers and there is skepticism regarding whether iMatchSkills is in a competitive position when compared to private job matching platforms (Indeed, LinkedIn, Glassdoor, etc.).

Finding #3 – Employers are particularly unsatisfied with this system. Of the three affiliations to WSO – Job Seekers, Employers, Partners – Employers are the least engaged and satisfied.¹³

SB 1545 (2022), a comprehensive workforce development package referred to as Future Ready Oregon, investing in education, training, and resources for Oregonians, includes funding for a variety of grant programs to be administered by the HECC, BOLI, and Youth Development Division (YDD) of the Department of Education. Potential impacts to OED include increased customer traffic in the WSO centers; additional training for department staff in identifying priority populations, assessing their needs, and coordinating with local service providers; and enhancements to existing systems, specifically Customer Registration. As we undergo our modernization efforts, we can look for ways to leverage information from assessments completed under SB 623 and communicate with our partners to reimagine service delivery and enhance assistance for priority populations.

PREFERENCES

As the department moves forward with the Modernization Program and its associated projects, planning and decision-making are framed by the following preferences:

- **“Buy” not “build”** whenever possible, understanding that adjustments will be necessary to adapt any product to meet the agency’s requirements.
- **Leverage existing solutions** and consider enterprise-level investments as a possible means to leverage capabilities and functions implemented by partner agencies.
- **Pursue customer-centric solution(s)** that can be scaled, maintained, and updated to evolve with technology.
- Mature an architecture that **promotes future growth and configurability**.
- Select a **maintenance and support model that utilizes a combination of internal and outsourced support**. Desire is for support to shift from greater reliance on contracted resources to internal staff over time.

APPROACH

The following principles will be incorporated into how the Modernization Program and its associated projects are managed:

- **Utilize an inclusive and participatory process** with representation from employees, key customers, partners, and stakeholders.
- **Learn from the experience of others**, seek best practices, and obtain lessons learned.
- **Follow project management standards, best practices, and oversight requirements** for all modernization projects.
- **Deliver incremental value early and often**, focused on highest value components first, and allow for iterative development that incorporates continuous input from business users as components are developed.
- **Continue to maintain and operate current systems through implementation** to minimize disruption of services to Oregonians and Oregon businesses.

¹³ Coraggio Group. (2021 December). *WSO Continuous Improvement Committee Initial Assessment Report*. Workforce Talent and Development Board. https://www.oregon.gov/workforceboard/data-and-reports/Documents/211231%20-%20CIC%20Initial%20Assessment%20Report_Single%20Version%20-%20FINAL.pdf

- **Include communications and change management strategies** to engage and support employees through this significant transition.

Market Research

FEASIBILITY STUDY

In November 2016, the agency contracted with the ITSC to conduct a year-long feasibility study. In addition to a review and analysis of internal systems and processes, part of this effort included a review of available market solutions and other states' modernization projects. This information was provided by ITSC as well as other states themselves. Several states – California, Connecticut, Kansas, Kentucky, Mississippi, New York, Tennessee, Utah, and Washington – provided virtual demonstrations of their labor exchange and case management systems. Furthermore, OED staff, in partnership with ITSC, traveled to three states – Kentucky, Mississippi, and Tennessee – to further review their systems and have conversations with staff. The visits expanded our understanding of the potential project costs, schedule, staffing needs, risk and mitigation strategies, maintenance and support models, lessons learned, and better practices associated with different development models. Lessons learned from these visits were summarized in a document – “Modernization Feasibility Site Visit Summary” – located here: Q:\20 Workgroups\Feasibility Study Project\Market-Alternatives Analysis\State Visits.

REQUEST FOR INFORMATION

In 2019, the agency released a request for information (RFI) to solicit information from vendors and developers interested in providing services for the Workforce Modernization Project. The RFI asked questions related to project management, vendor services, pricing, solution architecture, data conversion, security, and operations and maintenance. Two vendors submitted responses: National Strategic Planning and Analysis Research Center (NSPARC) at Mississippi State University and Launchpad.

ADDITIONAL RESEARCH

To supplement the feasibility study and RFI, Modernization program and project staff have conducted additional market research, utilizing a variety of methods and tools. These approaches are summarized below:

- **NASWA's Workforce ITSC:** Workforce ITSC provides various online tools that are focused on technology and integration relating to the administration of WIOA programs. Their Solutions Marketplace provides information on workforce technology solutions as well as practices used in other states. The State Technology Profiles provides various dashboards highlighting “how state agencies are operationalizing the WIOA and partner programs” with a focus on IT systems. Lastly, the Procurement Portal is a catalog of procurement resources, highlighting the “workforce products and services states are procuring to meet their WIOA IT needs.” The Procurement Portal often includes other states' request for proposals and requirements documentation.
- **Vendor demonstrations:** At the request of respective vendors, system demonstrations have occurred with Monster Government Solutions, Microsoft/LinkedIn/FutureFit AI, Salesforce and Cloud SynApps, Mulesoft, SGS Technologie, and Career TEAM. A system demonstration is also scheduled with Geographic Solutions. These vendor demonstrations have helped expand our knowledge of the marketplace and functionality available in modern systems.
- **Conversations and lessons from other agencies' and states' modernization efforts.**

SOLUTIONS

Currently, there are various vendors in the marketplace that have worked with, or are working with, other states to deliver technology solutions. This list of vendors includes, but is not limited to: America's Job Link Alliance,

Career TEAM, Cloud SynApps, Deloitte, FutureFit AI, FutureWork Systems, Geographic Solutions, Launchpad, LinkedIn, Microsoft, Monster Government Solutions, NextJob, Inc., PAIRIN, and Salesforce.

Some of these vendors provide a wide array of functionality that could meet the requirements of multiple WIOA and other workforce programs, whereas others provide a more focused set of services (e.g. reporting, WOTC application, etc.) or serve as the system integrator (based on information from vendor demonstrations, review of other states’ procurement efforts, and Workforce ITSC’s Solutions Marketplace). Table 2 provides a high-level summary of functionality offered from certain vendors.

Besides variances in business functionality offered, vendors offer different technologies, levels of maturity in the market, architecture, configurability, hosting models, and operational support and licensing models. Some solutions have been in the market for years and are in production in multiple states (e.g., Geographic Solutions, America’s Job Link Alliance), whereas others are newer to this specific market. A commercial off-the-shelf solution (COTS) provides a fixed architecture and much of the functionality “out of the box” built around federal requirements and commonalities among states; however, the ability to configure or customize the solution to state-specific needs (even though the solution likely keeps up with federal-level changes) might be limited (compared to a low code platform) and could impact long-term maintenance and support.

Table 2 – Vendor System Information

Vendor	Functionality Offered				Customer Relationship Management (CRM)/ Employer Tracking
	Case Management	Performance Reporting	Labor Exchange Tools	Career Exploration/ Awareness	
America's Job Link Alliance	X	X	X	X	X
Career TEAM	X	X	X	X	X
FutureFit AI	X	X	X	X	X
FutureWork Systems, LLC		X			
Geographic Solutions, Inc.	X	X	X	X	X
Launchpad	X	X	X	X	X
LinkedIn		X	X	X	X
Monster Government Solutions	X	X	X	X	X
NextJob, Inc.		X	X	X	
PAIRIN	X	X	X	X	
Salesforce	X	X	X	X	X

Source: NASWA’s Workforce ITSC, September 2023; vendor demonstrations.

Alternatives Analysis

ALTERNATIVES IDENTIFICATION

Based on information gathered from the feasibility study, market research, and the agency's preferences, the alternatives under evaluation for the Workforce Modernization Project are listed below. These alternatives are not independent, as a recommend solution may be a combination of the alternatives.

Maintaining the current state and continuing use of existing employment services systems and processes is not considered for a valid alternative, as existing systems do not meet our customers' expectations and preserve known inefficiencies and pain points in business processes.

- **Alternative 1 – Leverage Existing System(s).** Leverage OED's modern UI and Paid Leave Oregon system, Frances, where feasible to meet project requirements.
- **Alternative 2 – Custom Development.** Design, develop, and implement a system that meets OED's needs. This could be developed in-house with staff augmentation, or in collaboration with a vendor. This approach may also involve "refactoring" existing applications to retain existing business rules, while upgrading the underlying architecture.
- **Alternative 3 – Single Integrated System.** Procure an integrated labor exchange, case management, and reporting system from a single vendor to replace existing systems.
- **Alternative 4 – Best of Breed.** Procure solutions that best meet OED's requirements, as various vendors provide labor exchange, case management, and/or reporting functionality in the marketplace.

ALTERNATIVES EVALUATION CRITERIA

The following high-level criteria will be used to measure and analyze the different alternatives. These criteria differentiate the alternatives along the different phases from initial procurement and project risks to long-term maintenance and support.

- **Degree of Fit** – This criterion evaluates the extent to which the alternative meets the needs, such as the required business and technical functionality and preferences, of OED.
- **Implementation Schedule Risks** – This criterion evaluates the potential timeline risks of each alternative. Considerations include the ease of implementation, estimated timeframe to deliver value to customer, length of timeline and the potential time needed to continue maintenance and operation of legacy systems, the ability to mitigate and/or manage risks, and whether or not the solution has been implemented in another state.
- **Project Risks** – This criterion evaluates the project risks, such as risks to resources and scope, of each alternative during the project phases (e.g., development, testing, training, etc.). Considerations include project governance, complexity, the ability to mitigate and/or manage risks, and whether or not the solution has been implemented in another state.
- **Long-term Support Risks** – This criterion evaluates the ability of the agency to support and sustain the alternative after implementation. Considerations include the options (e.g., insource versus outsource, multiple tiers, etc.) for maintenance and support, governance model, stability, operational risks, opportunity risk and potential cost savings, and sustainability.
- **Degree of Flexibility** – The criterion evaluates the flexibility and expandability of the alternative after implementation. Considerations include business rule configurability, availability of additional functionality, and ease of upgrades and modifications (with or without vendor support) that support continual improvement in business processes and customer experiences.
- **Strategic Alignment** – This criterion evaluates how well each alternative aligns with the agency's goals and objectives, EIS strategy and goals, broader enterprise efforts and the ability to be leveraged across the enterprise, and alignment with federal policy and guidance.
- **Total Cost of Ownership** – The total cost of ownership is comprised of the initial system costs, implementation costs, and ongoing maintenance and support costs. These costs depend on factors such as the development methodology, vendor, amount of customization, modules or functionalities

selected, level of integration, data migration, staffing needs, and the ongoing maintenance and support model.

ALTERNATIVES ANALYSIS

The evaluation of each alternative is based on information gathered from the feasibility study, market research, and information received from discussions with other states and partners. The criteria reflect the agency’s preferences, goals, and the ability to deliver the best value for the state and our customers. As observed during the feasibility study, all modern solutions offer benefits to customers, staff, and partners, and could provide the agency with the required functionality. The key is finding the solution that will provide the best fit, minimize risks, and offer the greatest benefit to our customers, partners, and staff.

ALTERNATIVE 1 – LEVERAGE EXISTING SYSTEM(S)

Leverage OED’s modern UI and Paid Leave Oregon system, Frances, where feasible to meet project requirements.

OED’s new system, Frances and Frances Online (the customer facing portal), provides a variety of functionality to support UI tax and Paid Leave Oregon contributions and UI and Paid Leave Oregon benefits. Core functionality that could be leveraged by Workforce Operations includes case management (e.g., service tracking, registration, and customer portals), customer communication and document management, customer relationship management, reporting, and task management. Additionally, there are opportunities to leverage functionality to streamline services and best serve shared customers, such as UI claimants searching for work and Trade Adjustment Assistance participants. Additionally, Fast Enterprises, the solution vendor for Frances, has implemented WOTC in another state.

Table 3 – Benefits and Risks of Leveraging Existing System(s)

Benefits	Risks
<ul style="list-style-type: none"> • Shortened procurement and project planning timeframe, as the vendor’s methodology and tools are already established. • More simplified, aligned architecture. • Potential for consistent customer experiences (e.g., single sign on, consistent look and feel, one web portal, etc.). • Data from UI claims can be used to pre-populate customer data for employment services. • UI data, such as wage records, can be leveraged to enhance business processes (e.g., identifying affected workers for TAA petitions). • Supports communication and integration with UI, which further supports RESEA and claimant reemployment activities and eliminates need for interfaces. • Opportunity the leverage the system to explore ways to help employers find workers when they 	<ul style="list-style-type: none"> • Gaps in functionality require an additional system, or systems, to be procured. • The system may not be the best-fit for the agency or our customers. • Labor exchange and employment services functionality has not yet been implemented in other states. • Agency does not own the code.

Benefits	Risks
<p>have employees that take Paid Leave Oregon leave.</p> <ul style="list-style-type: none"> Facilitates cross training among staff. Aligns with the Modernization Program’s preferences to leverage existing solutions and pursue a customer-centric solution. Common technology stack supports maintenance and support. 	

ALTERNATIVE 2 – CUSTOM DEVELOPMENT

Design, develop, and implement a system that meets OED’s needs. This could be developed in-house with staff augmentation, or in collaboration with a vendor. This approach may also involve “refactoring” existing applications to retain existing business rules, while upgrading the underlying architecture.

Table 4 – Benefits and Risks of Custom Development

Benefits	Risks
<ul style="list-style-type: none"> Ability to control development process and project methodology. System is designed to specifically meet the agency’s goals and requirements. Ability to fully control maintenance, support, and upgrades. This includes the ability to maintain and support the system in-house, outsource support to a vendor selected through a competitive procurement process, or pursue a hybrid model that best utilizes insourced and outsourced resources. Agency only pays for the functionality that is needed. Ability to keep functionality that works but provides a modern architecture. Agency owns the code. 	<ul style="list-style-type: none"> Complex development approach, with the potential for extended project duration and increased costs. OED lacks the technical staff capacity and expertise to design and build a system from scratch in a modern programming language, thus requiring staff augmentation. Also, as we learned during the feasibility study, states that have pursued custom approaches have needed to contract with vendors for technical resources. Keeping the new solution “modern” would involve additional IT projects to keep up with technology changes and to avoid accumulating technical debt. Benefits from business process reengineering may not be fully realized. Inefficiency of time and resources spent designing and building components that already exist in the marketplace (i.e., “reinventing the wheel”). Unless maintenance and support services are outsourced, requires the agency to recruit, hire, and retain sufficient technical staffing. Challenges with developing and implementing system changes or upgrades in a timely manner.

Benefits	Risks
	<ul style="list-style-type: none"> All potential risk is assumed by the agency.

ALTERNATIVE 3 – SINGLE INTEGRATED SYSTEM

Procure an integrated labor exchange, case management, and reporting system from a single vendor to replace existing systems.

This alternative involves procuring, through a RFP, an integrated solution from a single vendor that is modified, configured, and developed to meet the agency’s policies, procedures, and required functionality. This could be a commercial off-the-shelf (COTS) system (e.g., Geographic Solutions) designed specifically for workforce services, often following U.S. DOL guidelines, or a platform (e.g., Salesforce) that is configured, potentially through the use of different applications, or modules, to provide the required functionality.

Table 5 – Benefits and Risks of a Single Integrated System

Benefits	Risks
<ul style="list-style-type: none"> Ability to leverage an existing, proven solution that can shorten the development and implementation timeline. Provides a collection of reusable functional assets and components; potentially providing the precise fit promised by custom development without having to start from scratch. Allows flexibility through component configuration, though the degree of configuration would vary by vendor. Partnership with vendor allows for continual improvement (e.g., version upgrades and service packs) and access to national experiences and better practices. There is also the opportunity to collaborate with other states using the same system to share ideas, questions, and potential enhancements. Vendor maintains the system to reflect federal legislative and policy changes as well as major technology updates. Provides a predefined architecture in terms of its composition and interaction of components. Allows the agency to reengineer business processes to improve efficiencies based on processes built into these systems reflecting the knowledge and experience of other states. Potential for a hybrid maintenance and support model that best utilizes in-house and vendor technical staff. 	<ul style="list-style-type: none"> Staff “buy in” and adjustment to the new system and processes. Solution requires more configuration or customization than initially planned, increasing project schedule and costs. Vendor owns the core code, creating a long-term reliance on vendor for support, modifications, and upgrades. The agency’s ability to accept and schedule system upgrades, whether major or minor, may be limited. Agency business continuity is dependent on vendor success and continued support of product and market. Integration with existing systems or other potential solutions. Costs may substantially increase over time. Vendor may lose its competitive edge and desire to support a labor exchange program long-term. Without direct access to the code it may be difficult to understand how certain functions, calculations, etc. are made, making it difficult to troubleshoot and correct issues without vendor support. One integrated solution may not best meet the needs of all of the agency’s workforce programs. For instance, the solution might provide robust case management functionality, but limited labor exchange tools. (Note: This is one lesson we learned from our conversations with other states.)

Benefits	Risks
<ul style="list-style-type: none"> • Consistent user experience, if one vendor’s solution is selected. • Various vendors exist in the marketplace, allowing the agency to procure the best-fit solution. • Risk is shared with the vendor. 	<ul style="list-style-type: none"> • OED will need to ensure that the vendor’s culture and processes align with OED’s culture to minimize any risks in the relationship. • With a fully integrated system, if one module is down for upgrades or maintenance, other modules may be down as well, creating the need to plan and coordinate across programs.

ALTERNATIVE 4 – BEST OF BREED

Procure solutions that best meet OED’s requirements, as various vendors provide labor exchange, case management, and/or reporting functionality in the marketplace.

This alternative involves procuring, through a RFP, existing, commercially available solutions that are modified, configured, and developed to meet the agency’s policies, procedures, and required functionality. Compared to procuring a single integrated solution, this approach might require more configuration and development (e.g., interfaces), but could also provide more flexibility and the functionality required for all of OED’s programs.

Table 6 – Benefits and Risks of Best of Breed

Benefits	Risks
<ul style="list-style-type: none"> • Various vendors exist in the marketplace, allowing the agency to procure functionality that best meets the needs of the agency and all of the administered programs. • Ability to leverage solutions that are leaders in their markets and familiar with customers. • Ability to leverage existing, low-code solutions, though a specific solution may have not yet been implemented in the employment services (e.g., Wagner-Peyser) market. • Potential for a hybrid maintenance and support model that best utilizes in-house and vendor technical staff. • Risk is shared with the vendors. 	<ul style="list-style-type: none"> • Requires maintaining more interfaces. • Requires additional staff to plan and manage the implementation and integration among multiple vendors and systems. • Increased complexity with the management of multiple vendors and systems (e.g., ongoing maintenance, upgrades). • Increased project complexity and implementation (e.g., multiple contracts, vendor management and coordination, scheduling of project development, testing, etc.). • Potential for expanded project timeline. • Management and coordination of data and reporting across multiple systems. • Higher total costs of ownership (e.g., multiple contracts). • Business and technical staff need to be trained on and familiar with multiple more than one system. • Potential for inconsistent customer experiences, if multiple solutions are selected. • Without direct access to the code it may be difficult to understand how certain functions, calculations, etc. are made, making it difficult to troubleshoot and correct issues without vendor support.

SUMMARY OF ALTERNATIVE RANKINGS

The qualitative evaluation summarized above highlights the benefits and risks of each alternative. To validate this assessment and to provide a more comprehensive analysis to protect against any inherent biases, we also created and used a numeric scoring approach incorporating the evaluation criteria. Table 7 provides a summary of the rankings of each alternative.

Table 7 – Summary of Alternative Criteria Rankings

Criteria	Leverage Existing System(s)	Custom Development	Single Integrated System	Best of Breed
Degree of Fit 0 = Does not meet business and technical needs 3 = Meets business and technical needs with significant customization 6 = Meets business and technical needs with minimal customization 9 = Meets business and technical needs with no customization	6	3	6	9
	<i>Frances is a configurable system. A full gap analysis will be needed to determine level of configuration versus customization.</i>	<i>Full conformance of business and technical requirements through customization.</i>	<i>OED has the ability to ensure a best-fit solution through a RFP, though one vendor might not provide robust functionality in all categories (e.g., labor exchange, case management, report)</i>	<i>OED has the ability to ensure best-fit solutions through a RFP. Solutions are selected that most fully meet the requirements with only configuration.</i>
Implementation Schedule Risks 0 = Unknown 3 = High 6 = Medium 9 = Low	6	3	9	6
	<i>OED is familiar with the vendor's implementation methodology. Vendor has implemented solutions in several other jurisdictions, but this would be a new solution.</i>	<i>Less predictable timeline, with possibility of schedule creep</i>	<i>Predictable timeline based on solutions having been successfully implemented in other states</i>	<i>Potential solutions have been implemented in other states, but the involvement of multiple vendors increases schedule risks</i>
Project Risks 0 = Unknown	6	3	9	6

Criteria	Leverage Existing System(s)	Custom Development	Single Integrated System	Best of Breed
3 = High 6 = Medium 9 = Low	<i>OED and Modernization Program are familiar with the vendor's implementation methodology, though this would be new functionality not yet implemented in another state.</i>	<i>Increased risks of schedule and budget creep.</i>	<i>Solutions have been successfully implemented in other states</i>	<i>Involvement of multiple vendors increases complexity and introduces logistical risks</i>
Long-term Support Risks 0 = Unknown 3 = High 6 = Medium 9 = Low	6	0	6	3
	<i>Minimizes agency's technical footprint. Staff need to be trained on fewer systems, though OED is dependent on one vendor for some support.</i>	<i>Unknown. OED would likely require additional IT resources.</i>	<i>OED will assess for proven vendor support and optimize a strategy of using agency and vendor resources for long-term support. Existing solutions have years of experience maintaining and updating systems.</i>	<i>Involvement of multiple vendors increases maintenance and support complexity (e.g., coordination of updates, upgrades, etc.)</i>
Degree of Flexibility 0 = Unknown 3 = Low 6 = Medium 9 = High	0	9	6	6
	<i>Frances is a configurable system. However, labor exchange and employment services functionality are not yet implemented.</i>	<i>OED would have complete control over the solution such as what changes to make and when</i>	<i>OED will evaluate systems for their ability to efficiently implement changes (e.g., rules engine, configuration). OED will direct control of changes, though site customization impacts long-term maintainability. Flexibility likely varies by vendor.</i>	<i>OED will evaluate systems for their ability to efficiently implement changes (e.g., through a rules engine, configuration, or custom site code). OED will have direct control of changes following our own decision process.</i>

Criteria	Leverage Existing System(s)	Custom Development	Single Integrated System	Best of Breed
Strategic Alignment 0 = None 3 = Low 6 = Medium 9 = High	6	3	6	6
	<i>Aligns with OED's preferences, supports connectivity with UI, and maximizes use of current IT resources.</i>	<i>Does not align with OED's preferences.</i>	<i>OED has increased ability to align solution with agency, partner, and EIS strategy and goals</i>	<i>OED has increased ability to align solution with agency, partner, and EIS strategy and goals</i>
Total	30	21	42	36

ESTIMATED PROJECT COSTS

Based on data gathered from the feasibility study, market research, and conversations with other state employment service agencies, we estimate the Workforce Modernization Project will cost between \$10 and \$29 million. Table 8 provides an overview of this order of magnitude estimate. This estimate covers Alternatives 1 (Leverage Existing System), 3 (COTS System), and 4 (Best of Breed). At the detailed level, it's possible that certain line items could be higher or lower depending on the specific alternative. For instance, with Alternative 4 - Best of Breed solution vendor costs could be higher due to contracting with more than one vendor for the project; hence, additional costs for licenses, vendor implementation services, contract management, and potentially higher long-term operational costs. However, at this point in the planning process, these specific items are not known with enough detail to note significant differences among these alternatives.

Table 8 – Estimated Project Costs

	Low Estimate (-50%)	High Estimate (+50%)
Personal Services	\$3,812,000	\$11,435,000
Program Team	\$2,093,000	\$6,278,000
Project Team	\$990,000	\$2,970,000
Additional Agency Support	\$729,000	\$2,187,000
Services & Supplies (S&S)	\$5,016,000	\$15,047,000
Solution Vendor (Implementation)	\$2,750,000	\$8,250,000
iQMS Vendor (CSG)	\$1,000,000	\$3,000,000
Hosting	\$360,000	\$1,080,000
Miscellaneous S&S	\$906,000	\$2,717,000
Miscellaneous (DAS/DOJ, other agencies)	\$100,000	\$300,000
10% Contingency	\$893,000	\$2,678,000
Total	\$9,821,000	\$29,460,000

As of 10/3/2023

Table 9 – Estimated Annual Operating Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Personal Services	\$550,000	\$550,000	\$570,000	\$570,000	\$600,000
Agency Support	\$550,000	\$550,000	\$570,000	\$570,000	\$600,000
Services & Supplies (S&S)	\$2,230,000	\$2,130,000	\$2,300,000	\$2,300,000	\$2,480,000
Solution Vendor (Operations and Maintenance)	\$1,750,000	\$1,650,000	\$1,780,000	\$1,780,000	\$1,920,000
Hosting	\$480,000	\$480,000	\$520,000	\$520,000	\$560,000
Miscellaneous S&S					
Total	\$2,780,000	\$2,680,000	\$2,870,000	\$2,870,000	\$3,080,000

As of 10/3/2023

Appendix A provides additional detail and assumptions for these cost estimates.

As we consider total cost of ownership, it is important to evaluate and plan for the costs for ongoing maintenance and support. Annual solution vendor costs for maintenance and support range from \$0.5 - \$3 million. As we learned from the feasibility study and state site visits, some states initially struggled transitioning to a sustainable, long-term operational maintenance and support environment. Most states have planned and pursued a vendor-supported model or a shared model where vendor resources are used to augment in-house technical staff.

RECOMMENDED ALTERNATIVE

Based on the benefits and risks, estimated costs, and evaluation criteria rankings, we recommend pursuing a vendor solution(s), selected through a request for proposals. This approach will minimize risks and allow the agency to procure the best-fit, best-value solution, especially given the number of vendors who could potentially submit a proposal, including our existing vendor for unemployment insurance and Paid Leave Oregon. Furthermore, this approach will allow us to fully evaluate the ability of potential solutions to meet OED's business and technical requirements. Lastly, this approach could include the potential for multiple vendors or leveraging certain functionality in Frances.

BENEFITS AND RETURN ON INVESTMENT

Modernizing the core employment services systems will provide the agency with significant benefits. While some benefits may be quantifiable and financially measurable, most are qualitative and mitigate risks, improve customer experience, provide new capabilities, and increase flexibility to ensure we can continue to sustain and enhance our core services into the future.

The agency will measure project success according to the goals, objectives, and metrics identified above. These metrics will define the project's success in enhancing customer service, improving key employment services performance indicators, reducing or eliminating manual processes and pain points, and improving system security. These metrics highlight the range of benefits expected and the strategic importance of modernization. A few of these metrics will translate into cost savings for the agency.

Expected benefits include:

- **Improved customer service** – Modernization will improve our ability to connect with and provide services to customers in ways they expect or desire. These benefits include mobile access, greater availability of information, more channels of communication (e.g., virtual appointments), improved accessibility (e.g., language access), and improved self-service functionality for both job seekers and employers. Enhanced system functionality and automation where possible (e.g., automation of job

matches and posting of jobs) can improve operational efficiencies and free up time for staff to assist job seekers that need more intensive services and guidance.

Furthermore, we have opportunities to modernize the systems to enhance how and where can accommodate people:

- With inflexible shift-hours
 - With complicated work-life schedules, who have multiple jobs, and are caregivers
 - With criminal or complicated histories
 - With limited English proficiency (other than Spanish)
 - With unstable housing
 - With limited computer access and skills
 - From communities of color to increase their participation and success
 - From underserved and rural communities
- **Usability** – Compared with our current systems, modern systems are generally more intuitive and easier to navigate, facilitating the ability to train new employees more quickly.
 - **Alignment with strategic priorities** – Through modernizing the employment services systems and processes, the agency seeks to broaden access – allowing Oregonians and Oregon businesses to interact with the agency in the format of their choosing – that results in equitable outcomes and supports the governor’s priority of *A Thriving Statewide Economy*. Investing in the project provides the opportunity to further align with the Governor’s Equity Framework – *State of Oregon Equity Framework in COVID-19 Response and Recovery* – by collaborating with partners and other interested parties to inform the development of the solution to enhance services for underserved communities. The project also supports statewide workforce development efforts and federal WIOA, which encourages states to improve customer service through integrated intake, case management, and reporting systems.
 - **Improved data accuracy and availability** – As noted in the goals and objectives above, we aim to increase access to timely and accurate data for customers, allow the collection of missing data points, and reduce manual work to develop mandated reports. There are additional benefits outside of these objectives and metrics. For instance, we expect to improve how non-mandated reports are developed and how we can use data to improve services. Modernizing our systems will improve the accuracy of program data, facilitate the collection and preparation reports, and give us the ability to collect and analyze data that has historically not been available.
 - **Improved security** – Modernizing the agency’s employment services systems provides additional benefits that may be less visible to our customers, but are none-the-less important for continued delivery of services. This specifically includes data confidentiality, integrity, and availability. As seen nationwide during the pandemic, criminal actors targeted state workforce technology systems, which contain a lot of confidential information about individuals and businesses. The agency needs to be ever more vigilant to protect against current, and continuously evolving, information security threats. Modern systems offer more robust, integrated security features to prevent unauthorized access to information, as well as more intuitive and convenient means for access management.
 - **Increased flexibility** – A modern system will increase the agency’s ability to implement system enhancements to meet customer expectations and comply with new program requirements arising from federal or state legislation, changing economic conditions, and evolving workforce development needs.

Conclusions

Our systems and processes need to be more effective, efficient, and accessible to enhance our services for Oregonians and Oregon businesses. Replacing our employment services computer systems and reengineering business processes will improve how we provide services and aligns with statewide efforts to improve equity and inclusion and workforce development.

The agency has been criticized for not moving quickly enough with its modernization efforts. Postponing the modernization effort and continuing to use legacy systems increases the severity of and exposure to risks that would affect our ability to deliver key services to Oregonians and Oregon businesses. These risks include:

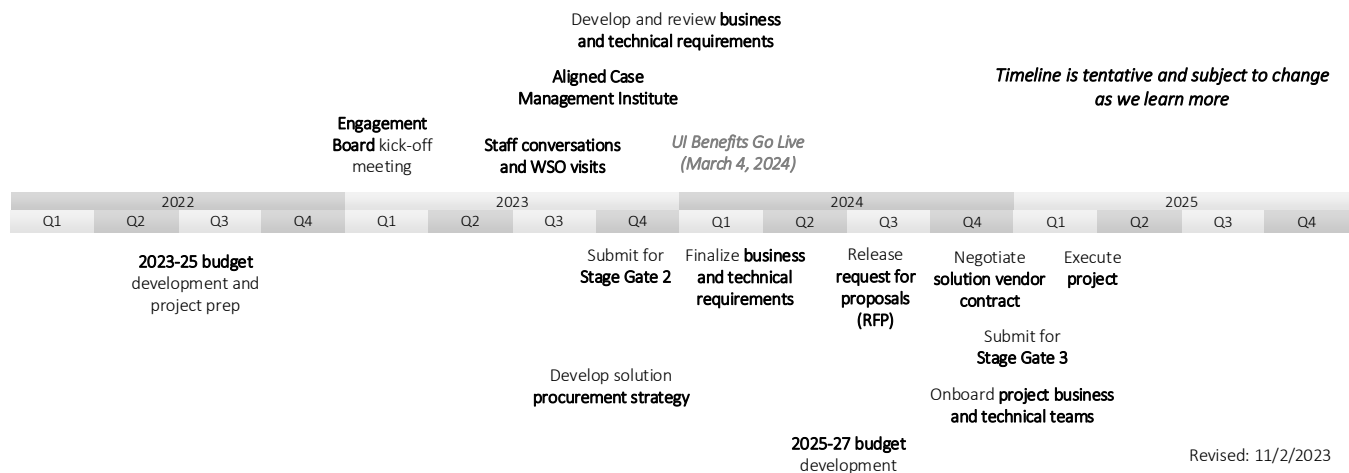
- Risk that we cannot sustain delivery of secure and reliable services.
- Challenges to provide customers with personalized and updated services.
- Difficulties in managing access and sharing data securely and timely with our partners.

NEXT STEPS

To continue planning for the Workforce Modernization Project and to prepare for the release of a request for proposals, next steps include:

- Documenting inventories of reports, interfaces and data transfers, and access.
- Conducting additional market research and reaching out to other states to gather information, such as lessons learned, and to explore functionality available in modern systems.
- Engaging with staff and partners to gather, prioritize, and verify requirements, including business and technical requirements as well as accessibility and usability requirements.
- Seeking authorization for project funding and resources from the legislature, likely through the Emergency Board processes, once we know more about our approach and what will be needed to successfully complete this project.
- Identifying and onboarding project staff.
- Organizational change management activities.
- Ongoing and expanded external engagement activities.
- Program and project management activities.

Figure 6 – Estimated Workforce Modernization Project Schedule



To ensure success of the Modernization Program and Workforce Modernization Project, we will engage with all sections of the agency and key partners. This includes working with the Oregon Legislature in the current and future biennia to obtain authorization of resources to support the program and projects. We will continue to collaborate with EIS for guidance; work with EIS, the State CFO, and Legislative Fiscal Office; pursue endorsements throughout the Stage Gate review process; and utilize the Enterprise Project and Portfolio Management system for all program and project reviews, approvals, and status, and quality assurance reporting

activities throughout the life of the project and Modernization Program. Other critical success factors include ongoing executive support, active engagement from employees and partners, strategic communication and change management, and project management expertise.

The Modernization Program is a priority of the agency and its outcomes will touch every aspect of our organization, from processes to people. Project performance measures, and oversight requirements will be established to ensure the Workforce Modernization Project delivers the expected outcomes and benefits.

Appendices and References

APPENDIX A - ESTIMATED PROJECT COSTS

	2021-23	2023-25	2025-27	Total Estimated Project Cost	Low Estimate (-50%)	High Estimate (+50)
Personal Services	\$-	\$3,083,000	\$4,540,000	\$7,623,000	\$3,812,000	\$11,435,000
Program Team	\$-	\$1,980,000	\$2,205,000	\$4,185,000	\$2,093,000	\$6,278,000
Project Team	\$-	\$837,000	\$1,143,000	\$1,980,000	\$990,000	\$2,970,000
Additional Agency Support	\$-	\$266,000	\$1,192,000	\$1,458,000	\$729,000	\$2,187,000
Services & Supplies	\$-	\$2,392,000	\$7,639,000	\$10,031,000	\$5,016,000	\$15,047,000
Solution Vendor (Implementation)	\$-	\$500,000	\$5,000,000	\$5,500,000	\$2,750,000	\$8,250,000
iQMS Vendor (CSG)	\$-	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000	\$3,000,000
Hosting	\$-	\$160,000	\$560,000	\$720,000	\$360,000	\$1,080,000
Misc. S&S	\$-	\$732,000	\$1,079,000	\$1,811,000	\$906,000	\$2,717,000
Miscellaneous (DAS/DOJ, other agencies)	\$-	\$150,000	\$50,000	\$200,000	\$100,000	\$300,000
10% Contingency	\$-	\$563,000	\$1,223,000	\$1,785,000	\$893,000	\$2,678,000
Total	\$-	\$6,188,000	\$13,452,000	\$19,639,000	\$9,821,000	\$29,460,000

As of 10/3/2023

NOTES AND ASSUMPTIONS

General Assumptions

- Project execution is forecasted from March 2025 to May 2026, with some resources staying onboard through October 2026 for production support, system stabilization, and project closeout.
- The funding for expenses listed will be approved through future biennial budget cycles.

Personal Services

- Personal Services comprises employee total compensation including wages, benefits, and other personnel costs.
- Additional Agency Support includes resources from Workforce Operations for involvement as Subject Matter Experts (SMEs), testers, and trainers. The project will leverage the Workforce Operations training team, comprised of Training and Development Specialists 1 (TDS1) and Training and Development Specialists 2 (TDS2).

Services & Supplies

- Solution Vendor(s) includes costs for initial purchase, license, and implementation services (e.g., configuration, conversion, testing, and training).
- CSG will remain the iQMS vendor for the duration of the project.
- POP 102 for 2023-25 biennium requests \$1,000,000 for iQMS.
- Miscellaneous S&S includes costs for items such as facilities, software, and hardware (e.g., laptops); calculated at \$1,500/month/FTE.

Miscellaneous

- Includes costs for changes to partner agencies' systems and DAS Procurement Service and DOJ charges for their assistance with the RFP and contract negotiations.
- POP 102 for 2023-25 biennium requests \$100,000 for DAS/DOJ charges.










Workforce Business Case V2.1

Final Audit Report

2023-12-17


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