

Meeting:	<b>Modernization Program Stakeholder Board</b>						
Date/time:	<b>October 7, 2019   9-10:30am</b>						
Location:	<b>Dave Pleasant Room, Central Office, Employment Department</b> <b>Conference Number:</b> 1-866-377-3315 US Toll Free 1-630-424-8428 US Toll Passcode - 9182 288#   Moderator Code - 5644 931#						
Attendees:	P (Present)		A (Absent)		G (Guest)		C (Conference Caller)
P	Blake Johnson	P	Kurtis Barker	P	Tom Crowley	G/P	Gundula Shye
C/P	Courtney Crowe	P	Michael Kaplan	P	David Gerstenfeld (Chair)		
C/P	James Weant	P	Peter Threlkel	P	Ethan Benatan		
A	Karen L. Coleman	P	Renee Royston	G/P	Lynn Kneeland (board staff)		
P	Kim Fredlund	P	Steve Ferree	G/P	Kay Erickson		

## Supporting Materials

UI Modernization Project Stakeholder Board Charter

## Agenda

	Topic	Time	Presenter
1.	Introductions <b>Roundtable introductions. Adjustments to titles updated as appropriate.</b>	9:00	All
2.	Welcome and charge	9:20	Kay Erickson
3.	UI Overview	9:35	David Gerstenfeld
4.	Modernization Overview	9:55	Ethan Benatan
5.	Future Meetings	10:10	David Gerstenfeld and Ethan Benatan

## Action Items

Action	Assigned	Date Due	Completed
N/A			

## Decisions

N/A



# UI Modernization Project Stakeholder Board

**October 7, 2019**



# Our Vision

An Oregon where meaningful work  
enables the state's diverse people and businesses  
to realize their full potential,  
creating prosperity in every community



# Membership Types

## Service Delivery Partners

**State agencies or divisions** with which the Employment Department operates **tightly coupled processes essential to the operation of the UI Program** (such as tax filing, tax collection, business registration, benefit payment, technology hosting, or printing and distribution).

## Customers

- 1. non-state entities served by the Unemployment Insurance Program** including businesses, workers, and job-seekers.
- 2. state agencies that**, while not operating tightly coupled business processes with the Unemployment Insurance Program, **either serve or are served by the Program**. This includes agencies that obtain data from the Program.



# We invite you to...

- Identify opportunities to better serve our shared customers
- Represent the practices, needs, and opportunities of your organization and stakeholders
- Identify and respond to significant risks, issues, or barriers
- Communicate progress and decisions within your organizations



# Unemployment Insurance Overview



# Unemployment Insurance (UI)

*Employment  
Appeals Board*

**Total Positions: 532**

## UI Tax

- Employer registration
- Tax status determination
- Combined tax reporting
- Tax collection
- Account maintenance
- Field audits

## UI Benefits

- Process claims
- Determine benefit eligibility
- Pay benefits
- Benefit Payment Control  
(prevent, detect, and recover overpayments)
- Allocate benefit payments among employers

## UI Policy

- Quality control
- Federal and state compliance
- Legislative, rule, and policy work
- Trust fund projections and analysis
- Interstate programs
- Training



# The Purpose of Unemployment Insurance

- Provide partial wage replacement to unemployed workers
- Stabilize the economy in local communities
- Preserve a trained, local workforce for businesses
- Collaborate with WorkSource Oregon to get people back to work faster
- Weekly, eligibility based program that provides up to 26 weeks of benefits



# Unemployment Insurance Programs



# Key Factors Affecting Services

- Overall economic conditions
- Size of Oregon's workforce
- Need for UI benefits has recurring seasonal fluctuations
- Demand for specialized programs
- Programmatic and policy changes

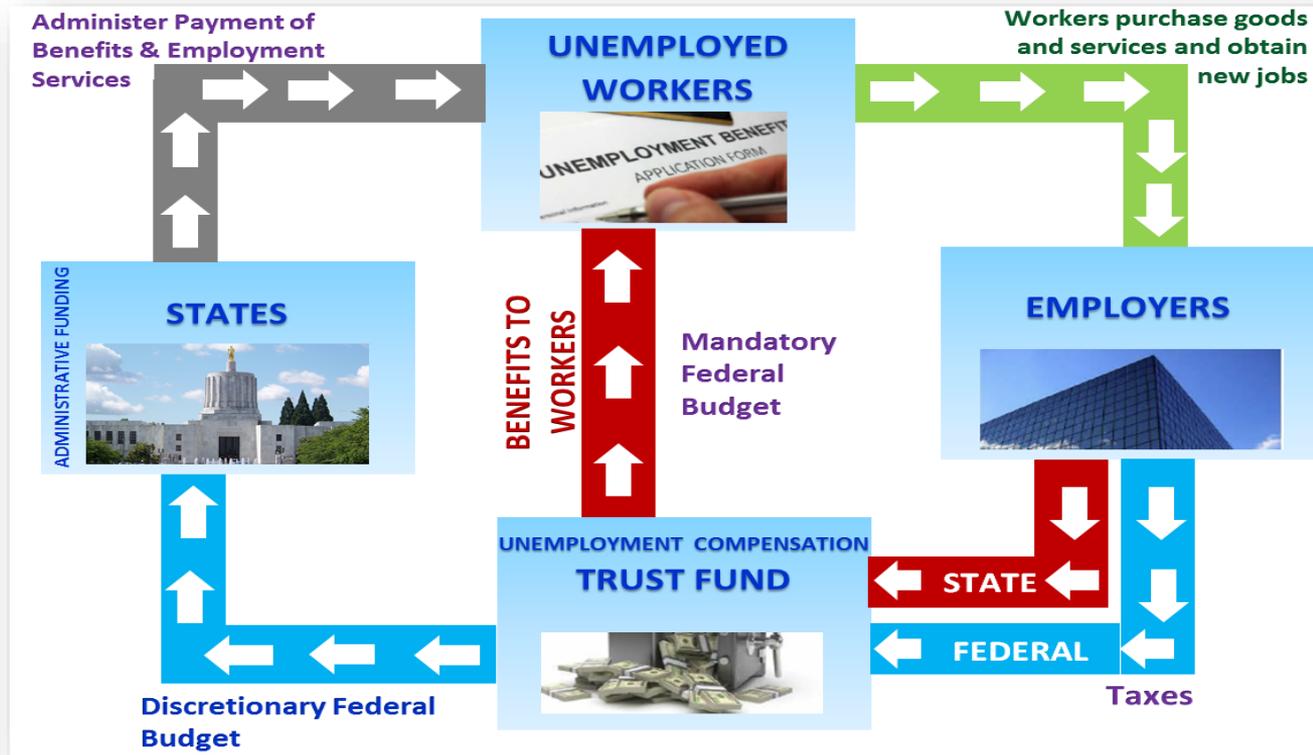


# Federal-State Partnership

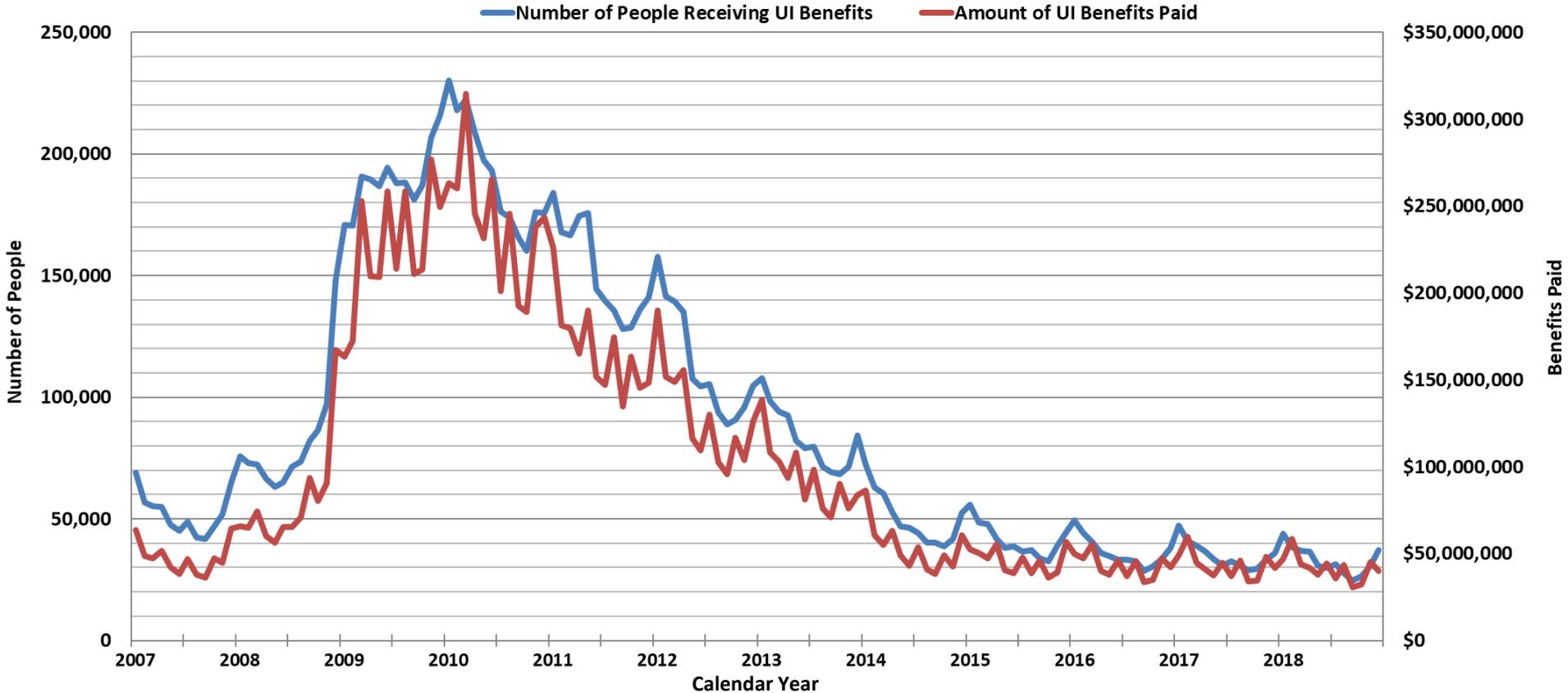
- Oregon employers pay state UI payroll taxes
- The federal government holds that money in the UI Trust Fund for Oregon to pay UI benefits
- U.S. Department of Labor provides an administrative grant to Oregon to operate the UI program
- If Oregon conforms to federal requirements, employers have reduced Federal Unemployment Tax Act (FUTA) payroll taxes



# Unemployment Insurance and Employment Services System



# Monthly Unemployment Insurance Benefits



# People Served by the Unemployment Insurance Program

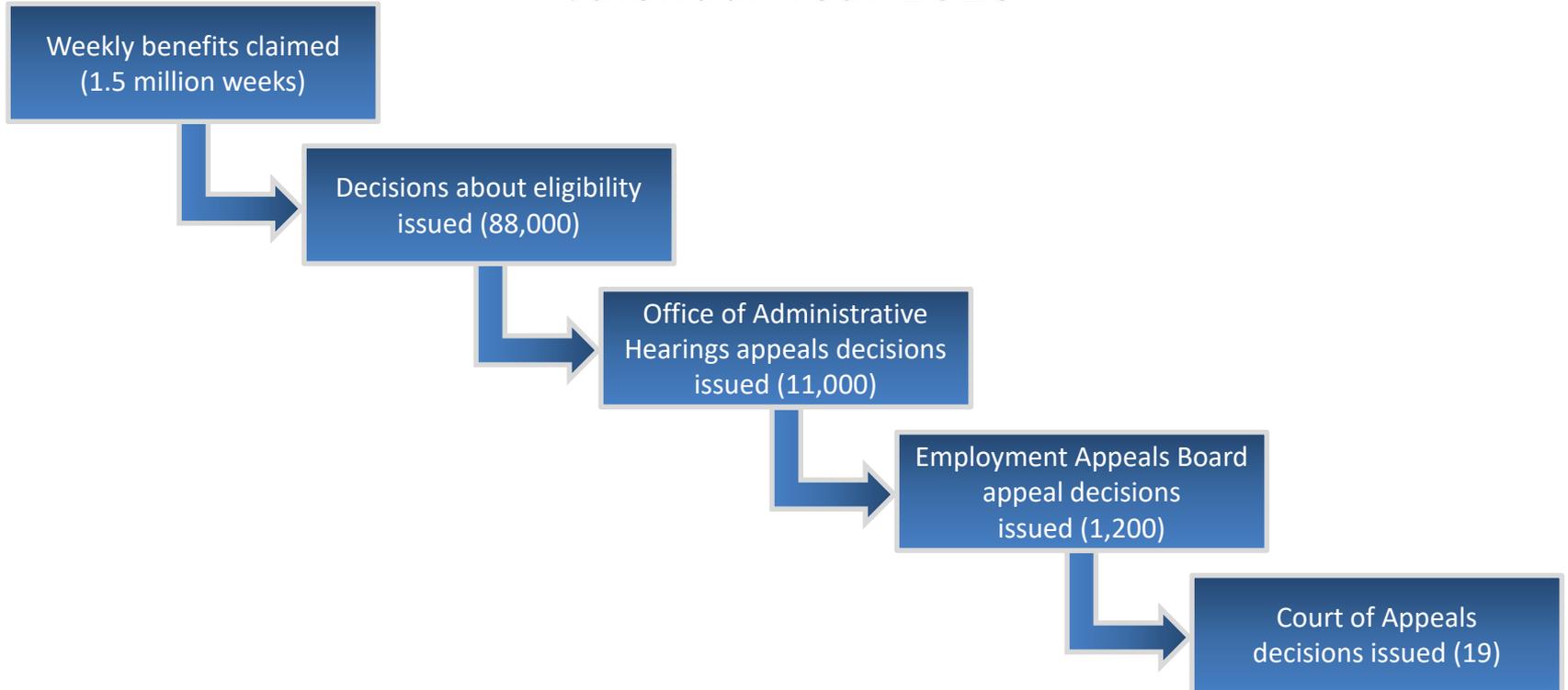
## Calendar Year 2018

- 1.5 million weeks of benefits claimed
- 113,000 workers received \$501 million in unemployment insurance benefits
- 377,000 calls answered through contact center
- 129,000 employers filed 8.9 million wage records
- \$886,000,000 million in payroll taxes collected



# Decisions about UI Eligibility

## Calendar Year 2018



# Some key service delivery partners

**WorkSource Oregon** (comprised of multiple agencies and other partners) - getting unemployed workers back to work

**Department of Revenue** - combined payroll reporting and tax payments, business registration, debt collection, and worker classification

**Department of Consumer and Business Services** - combined payroll reporting and tax payments, business registrations, and worker classification

**Secretary of State** - business registrations

**Oregon State Treasury** - paying benefits, banking UI funds

**Department of Justice** - information about newly hired employees, offsetting child support debts and related matters



# Modernization Program Overview



# Modernization Program

- Modernization Program is a **multi-year initiative** focused on **transforming the agency's business processes and core technology systems**.
- Replace computer systems supporting receipt of **unemployment insurance taxes**, payment of **unemployment insurance benefits**, and delivery of employment services.
- Business processes will be transformed to take advantage of **new system capabilities** and proven effective practices from other states.



# Modernization Drivers

## Issues:

- The department's core computer systems were designed in the 1990. They are reliable but increasingly difficult to maintain and upgrade. They rely on a myriad of disparate, aging applications and databases, creating incremental technical debt over time.
- The systems have a good security track record, but don't support modern approaches making it difficult to follow best security practices going forward.

**Project:** Transform our core business and technology systems – unemployment insurance and employment services – improving our ability to achieve our mission to *Support Business and Promote Employment*.

**Timeline:** Estimated completion date for UI project is 2025.

**Cost:** Estimated total cost is \$80 to \$123M. A mix of dedicated and other budget is available.



# Scale

## UI Modernization Project Scope Measures

Legacy systems to be replaced	31 systems
Legacy systems impacted	48 systems
External data transfers	128 total (126 data transfers   2 interfaces)
Internal data transfers	234 total
External system accesses	58 access points, 24 stakeholders
Mandatory reports	113 (66 state and federal reports   47 financial reports)
Business requirements	1565 (includes both UI Tax and UI Benefits)
Technical requirements	195 (mostly neutral to specific technologies)





# Modernization Program Goals

Enhance customer  
experience

Transform business  
processes

Improve security

Modernize technology



# Modernization Program Guiding Principles

## 1. **Focus on our customers' experience**

Advocate for our customers' experience, while also enabling our employees and partners to improve service delivery.

## 2. **Deliver core services first**

Ensure we can continue our core services, and plan for improvements, flexibility, and future expansion.



# Modernization Program Guiding Principles

## **3. Configure over customize whenever possible**

Adapt, transform, and improve processes, rather than customizing the new system(s) to existing processes.

## **4. Seek opportunities for self-service**

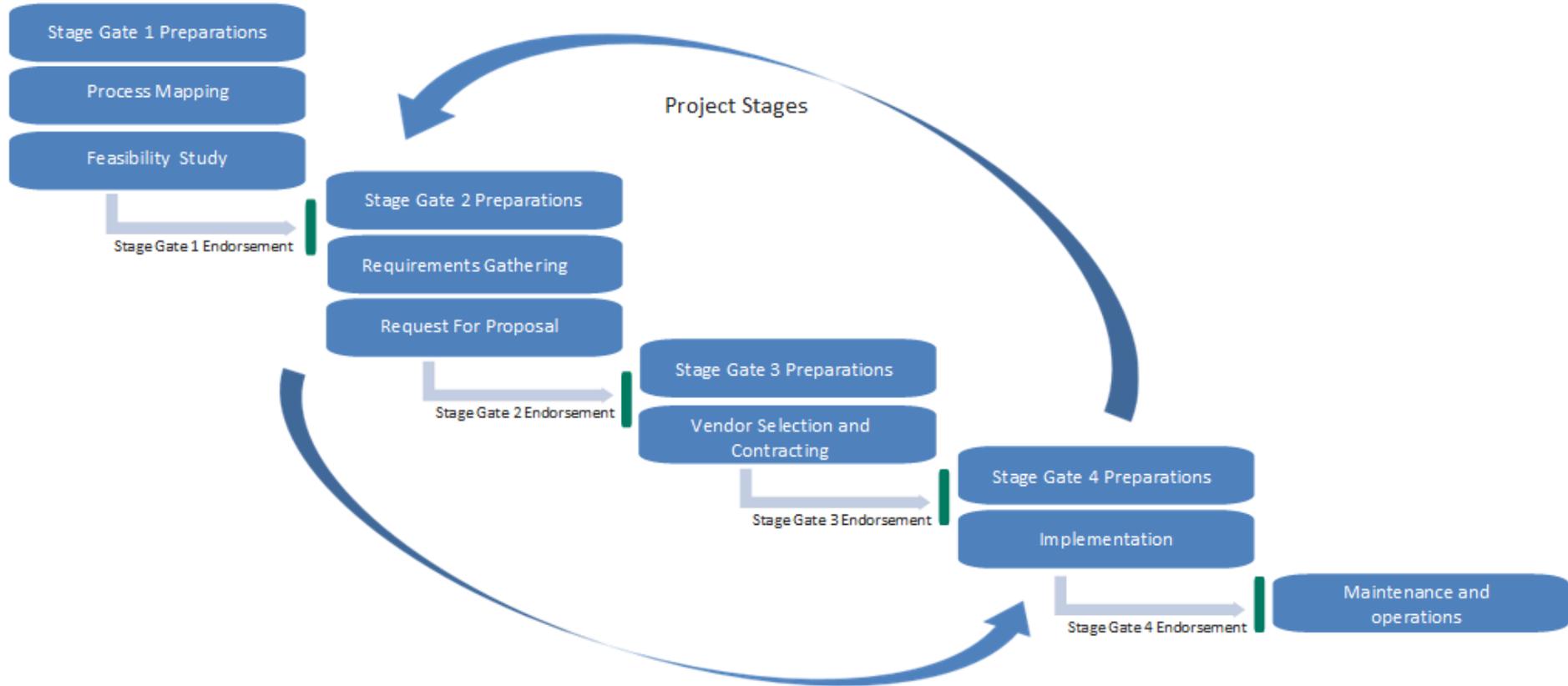
Provide self-service opportunities and maintain equitable access for our customers.

## **5. Automate thoughtfully**

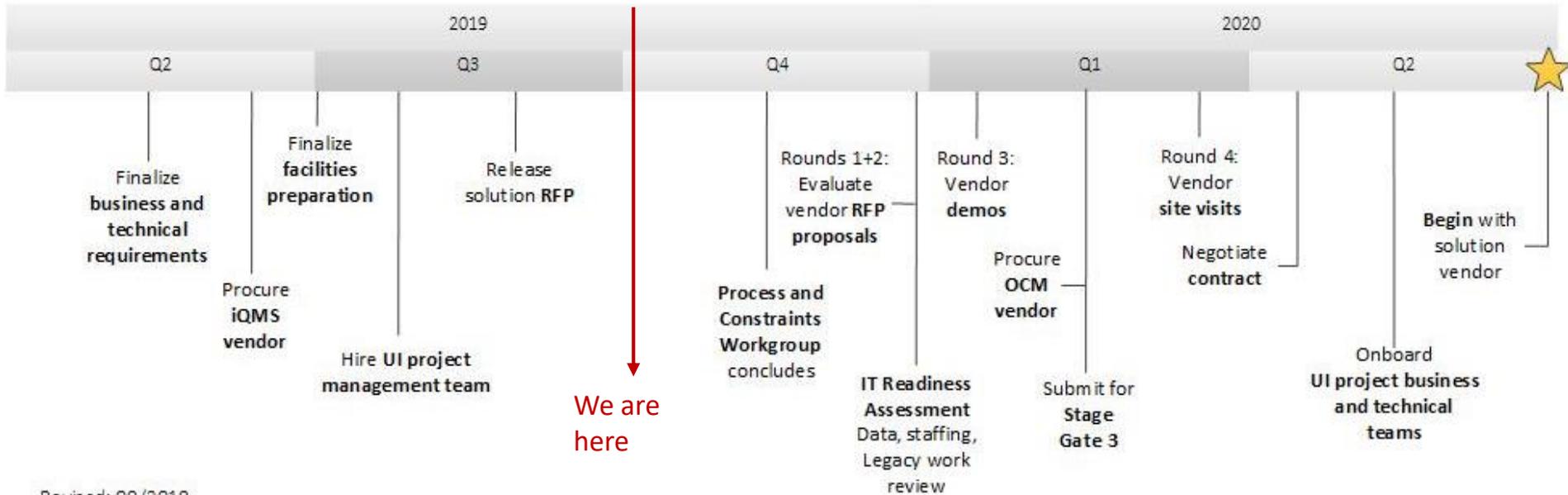
Automate repeatable processes that don't require human judgment.



# Modernization Program Steps and Stages



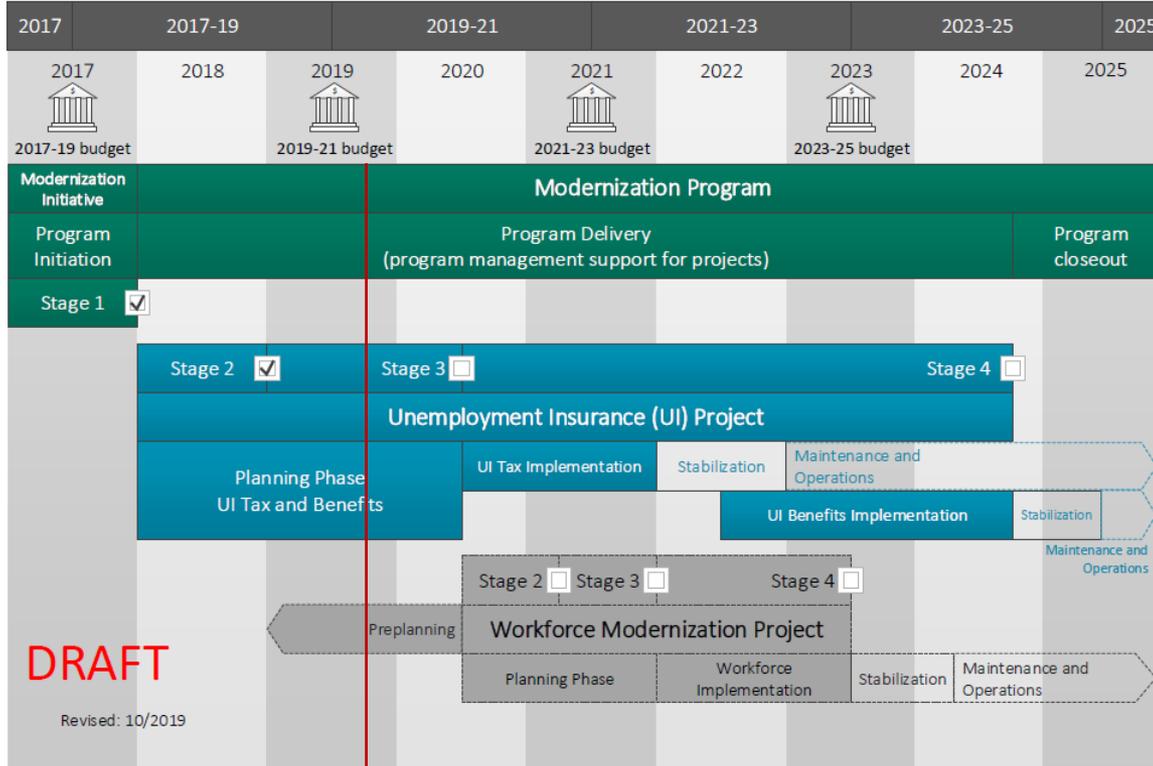
# UI Modernization Project Timeline



Revised: 09/2019



# Modernization Program Timeline



**DRAFT**

Revised: 10/2019

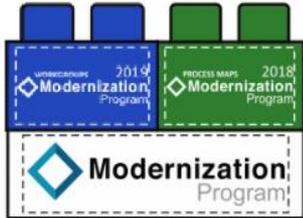
We are here



# Current Activities



Procurement



Readiness work

- Legacy Planning
- Process and Constraints
- Legacy and Data Readiness Assessment



Building the team

# Modernization Program Overview



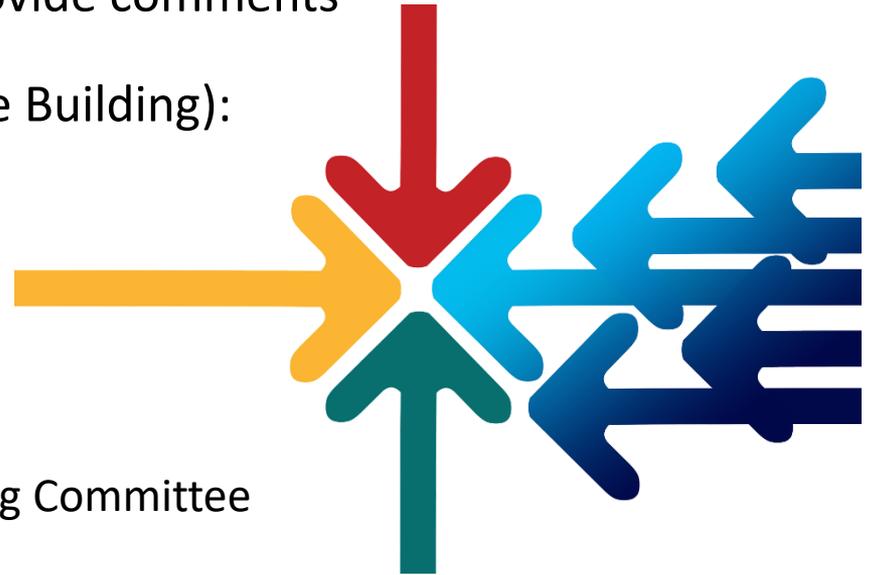
# Our work

- **Represent the practices, needs, and opportunities** of our parent organizations.
- Identify and **explore alternative approaches** to take advantage of opportunities.  
**Make recommendations** to the Modernization Steering Committee.
- **Participate**, through an elected representative, in the Modernization Steering Committee.



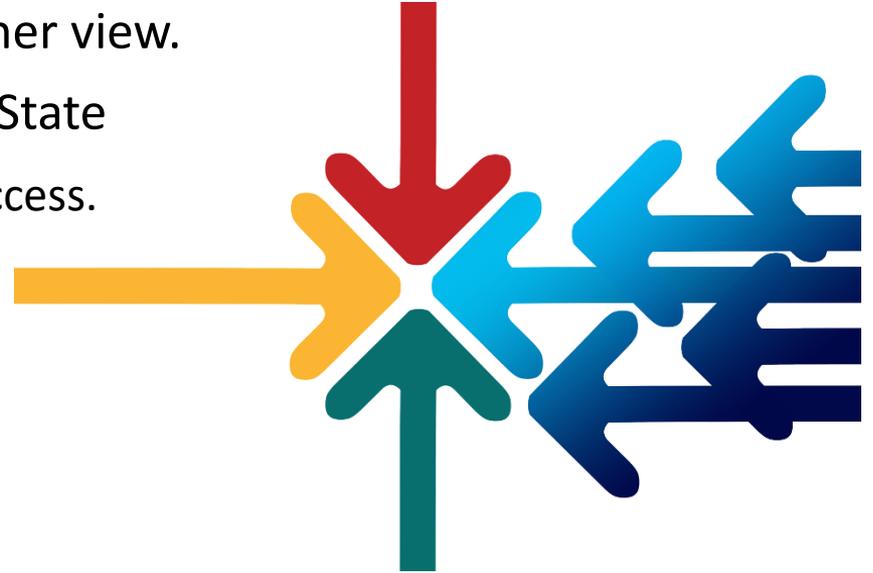
# Next Steps

- Before next meeting: review charter, provide comments
- November meeting (11/4, 9am, Revenue Building):
  - Current State: Customer View
  - Appreciations: 2 or 3 things to keep
  - Opportunities: 2 or 3 things to improve
  - Adopt Charter
  - Elect representative to Executive Steering Committee



## ....and then

- December: Current State, Part 2: Partner view.
- January (facilitated): Visioning Future State
  - Identifying opportunities, defining success.
- Thereafter:
  - Convene working groups as necessary to plan and coordinate
  - Monitor and lead the work
  - Remove obstacles



Thank You

