State of Oregon
Employment Department

Modernization
Program

Modernization Program Budget Management Plan

Version: 2.0

Revision date: September 2019

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Program Overview

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

Document Purpose

This plan outlines the processes involved in estimating, budgeting, controlling, tracking, and monitoring expenses so the program and its projects can be completed within the approved budget. Specifically, these processes include funding, budget development, budget management, and reporting.

Document Relationships

This plan is an extension of the Modernization Program's Program Management Plan. It is expected that all modernization projects will adhere to the processes and details described herein. This plan also references these other plans.

- Modernization Program Management Plan – provides the overall framework for the program and the program management plans covering each specific process.
- Modernization Program Risk and Issue Management Plan – this program-level plan describes the risk and issue management process; the risk registry contains risks identified for each project management process.
- Modernization Program Communications and Outreach Plan – describes how information, including budget information, is communicated; the communications registry tracks the specific communications, content, and stakeholders.
- Modernization Program Change Control Plan – describes the change control process and approval of budget changes above established thresholds.
- Modernization Program Schedule Management Plan – describes how the program schedule is developed and managed. Budget development and reporting activities are captured within the schedule so that timelines are monitored and resources are coordinated.

Document Audience

This document is intended for these primary audiences:

- **Program sponsors and steering committee members** – to understand the processes that will be followed, as well as their role in planning and monitoring the program budget and expenses. They also have a responsibility to ensure processes are appropriate and are enforced.
- **Internal and external oversight entities** – to monitor whether appropriate processes are in place and continue to be followed.

- **Program and project team members and vendor staff** – to understand their roles and responsibilities, and processes that will be followed to ensure the budget is managed appropriately.
- **Agency employees** – to reference for general awareness.

Risks, Assumptions, and Constraints

Risks

Risks related to this budget plan and its associated processes and other project management process groups are described and managed through the program's risk and issue process. See the program's risk management plan for further details on the risk and issue process.

Assumptions

- The agency will use Modernization Funds received from the U.S. Department of Labor in 2009 in combination with other agency revenues, as appropriate, for the purpose of modernization.
- The Oregon Legislature will approve spending authority based on the agency's demonstrated need and Stage Gate endorsement for the purpose of modernization.
- The Department of Administrative Services' Chief Financial Office will schedule expenditure limitation and approve policy and finance packages based on the agency's demonstrated need and Stage Gate endorsement to support modernization expenses.
- The Office of the State Chief Information Officer will approve Stage Gate and other processes based on the agency's demonstrated need for the Modernization Program and the agency's diligence in planning and executing the Program.
- In addition to funding the goods, services, and employees that directly carry out modernization, available funding will be used to provide the additional capacity necessary to support the work, such as capacity in shared service areas such as Human Resources and Information Technology.

Constraints

- The agency has chosen to utilize Modernization Funds in the Unemployment Insurance Trust Fund and Other Funds revenue available to the agency as the primary funding sources for the Modernization Program and its projects. If additional funding is needed, other sources of revenue must be identified, approved, and allocated.
- Federal and state regulations control how the agency's funds can be used.
- The agency must obtain authority from the Oregon Legislature, Stage Gate approvals from the Office of the State Chief Information Officer, and scheduling of expenditure limitation and approval of policy and finance packages from the Department of Administrative Services' Chief Finance Office and Governor, before spending Modernization Funds and incurring program and project expenditures.
- If project budget baselines change by +/- 10%, Office of the State Chief Information Officer must be notified and review for re-endorsement.

- The impact of a significant change in economic conditions could result in the diversion of staffing, funding, and other resources from modernization efforts to ensure that core agency programs are delivered to customers.
- A significant change in services, policy, or program guidance from the US DOL, Governor, or state legislature could result in the diversion of staffing, funding, and other resources from modernization efforts.

Roles and Responsibilities

Significant roles and responsibilities involved in the budget management process are described below.

Table 1 – Roles and Responsibilities

Role	Responsibilities
U.S. Department of Labor (US DOL)	Oversees and approves funding for Employment Department programs including funding that supports the Employment Department's Modernization Program and its projects.
Office of the State Chief Information Officer (OSCIO)	Leads Oregon state government in enterprise information technology management, strategic planning, and policy to ensure information technology projects are justified by sound business cases, linked to agency business plans, aligned with state enterprise information technology strategies, and leveraged to the maximum extent reasonable for the benefit of the enterprise. Approves agency purchases of information technology and reports on information technology investments. Reviews and approves the Modernization Program's Business Case, and provides direction, support, and oversight throughout the Stage Gate process to ensure quality outcomes. Meets with members of the modernization team and agency staff regularly regarding modernization information and reports.
Department of Administrative Services' Chief Financial Office (DAS CFO)	Provides objective and accurate financial information to state leaders and the public for more efficient use of state resources. Reviews, evaluates, and approves program and project documentation to ensure funding is adequate, recommends approval for spending authority, and ensures policies are in alignment with the Governor's priorities. Meets with members of the modernization team and agency staff regularly regarding modernization information and reports.

Role	Responsibilities
Legislative Fiscal Office (LFO)	Provides research, analysis, and evaluation of state expenditures, financial affairs, program administration, and agency organization to the Oregon Legislature. Provides fiscal impact statements prepared by the agency budget team on legislative measures and recommends funding to the Oregon Legislature. Reviews, evaluates, and approves program and project documentation to ensure adequate budget and project quality. Reviews and approves the Modernization Program's Business Case, and provides direction, support, and oversight throughout the Stage Gate process to ensure quality outcomes. Meets regularly with members of the modernization team and agency staff regarding modernization information and reports.
Modernization Executive Sponsor (Agency Director)	Oversees and has responsibility for overall agency budget. Ensures there is sufficient funding for the Modernization Program and its projects. Approves expenditures within established authority. Advocates for ongoing funding within the executive and legislative review and approval process. Collaborates with the US DOL regarding the agency's demonstrated need, application for, and use of federal funds.
Agency executives and managers	Develops, monitors, and manages their respective program budgets, including efforts associated with modernization support. Ensures that employees charge time appropriately and in compliance with US DOL regulations.
Modernization Sponsor (Modernization Director)	Oversees and guides development of Modernization Program budget. Ensures the program budget is properly planned and managed. Approves biennial Agency Requested Budget for the Modernization Program, ensuring that funds and limitation are sufficient to cover projected expenditures. Reviews and approves program and project budget and expense reports. Approves program expenditures within established authority. Authorizes program and project staff time charged to the Modernization Program.

Role	Responsibilities
Agency Chief Financial Officer (CFO) | Agency Budget Manager	Develops and manages the funding and budget management strategy and process, and collaborates with the Modernization Executive Sponsor, Modernization Sponsor, and members of the modernization team in the execution of the strategy and process. Coordinates with the Modernization Budget Analyst to develop appropriate budget management processes. Provides services to support budget development, funding, monitoring, and reporting. Collaborates with DAS CFO and LFO on budget requests, scheduling of expenditure limitation provided by the legislature, and allotment of spending plans, and approval of policy and finance packages in consultation with the agency's Director and Modernization Executive Sponsor. Communicates and reports the use of funds to the US DOL and use of funds and expenditures to DAS CFO, LFO, and agency management. Ensures that funds are used in accordance with federal and state laws. Incorporates Modernization Program funding and budgeted expenditures into the legislative and agency budget process.
Modernization Program Manager	Works with the Agency CFO, Agency Budget Manager, and Modernization Budget Analyst to develop sufficient budget management processes that adhere to PMBOK best practices, Oregon statutes and rules, and agency policy. Participates in regular process assessments to evaluate whether processes are effective, efficient, and are being followed. Provides information to the Modernization Sponsor to aid in forecasting expenditures and budget needs. Reviews program budget and expenditure reports to ensure charges are appropriate and any discrepancies are evaluated. Incorporates budget reports within program and project status reports.

Role	Responsibilities
Modernization Budget Analyst	Manages the Modernization Program and project budgets in accordance to this plan, Oregon statutes and rules, and agency policy. Maintains this budget management plan and conducts regular assessments to identify how processes could be improved. Coordinates development of the Modernization Program's biennial budget and policy and finance packages for submission within the agency's biennial budget request. Implements fiscal processes and budget operations to monitor and track project budgets, projected spending and actual expenditures. Reviews monthly program expenditure and fund coding. Identifies errors and work with agency's accounting department to correct issues. Works with the Agency CFO, Agency Budget Manager, and accounting staff to facilitate contingency funding methods and fund transfers. Prepares monthly project budget and variance reports and reviews with agency management and executive steering committee members. Monitors personnel actions to maintain conformity with position and full time equivalence (FTE) authority. Coordinates and reviews the preparation of fiscal impact statements for proposed legislation and bills related to the Modernization Program. Analyzes and reports fiscal impact of new projects or work identified for the Modernization Program.
Modernization Change Control Board	Reviews and decides whether budget-related changes should be escalated per the program's change control process.
Modernization Quality and Risk Analyst	Compiles and delivers project budget and schedule variance reports to the agency and OSCIO. Monitors and facilitates management of budget-related risks. Conducts quality control reviews of budget management processes.
Independent quality management services (iQMS) vendor	Conducts independent quality control reviews of budget management processes. Incorporates independent assessment of budget status within quality assurance reports required by the agency and OSCIO.

Budget and Funding Overview

Employment Department programs are funded with federal and other revenues. Use of agency funds is limited by federal and state regulations.

The Modernization Program is funded by unemployment insurance (UI) funds and other revenues available to the agency. Specific one-time unemployment insurance funds were distributed by the U.S. Department of Labor in 2009, also referred to as Modernization Funds, and reside in the Unemployment Insurance Trust Fund. The U.S. Department of Labor 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. The agency has chosen to use these Modernization Funds as a primary source of funding for modernization.

Table 2 – Unemployment Insurance Modernization Fund

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

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

This table does not reflect the current balance of Modernization Funds

The agency also has other 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 Other Funds sources include: Supplemental Employment Department Administration Fund (SEDAF), penalty and interest (P&I) collected from employers, penalty and interest collected from Unemployment Insurance benefit overpayments (Fraud Control Funds), and Federal Trade Act Administration Funds.

Some Other Funds revenues may only be used for certain program and project activities, such as Fraud Control Funds that are limited to activities in support of the prevention, discovery and collection of unemployment benefit overpayments.

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 annually by the Agency CFO and agency executive team.

Based on the assumption of no major changes in policy, programs, or revenue availability, the fiscal year 2019 funding plan utilizes available SEDAF funds first for Modernization Program and project team staffing and project activities. Modernization projects will use P&I funds first, then SEDAF funds. Modernization Funds will be used for vendor costs and for all other expenditures when SEDAF and P&I

are not available. The use of SEDAF and P&I will take into account the agency's desired three-month operating capital balance. If the operating capital balance is insufficient, Modernization Funds will be used. If circumstances change or decisions are made by the Agency CFO and executive team to utilize funds available to the agency differently, this plan will be updated as needed to reflect those changes.

Budget Development

While Modernization Funds and other revenues are available to support the agency's Modernization Program and projects, the agency's ability to use these funds is contingent upon receiving approval from the Oregon Legislature. Biennial budget reports must be made to request use and spending of these funds. Further, the Oregon Legislature and DAS CFO may partially restrict approval of Modernization Funds-related expenditures and require regular progress reporting before actual spending is authorized against the budget amount approved for the entire biennium.

Biennial budgets are prepared in even-numbered years. As biennial budgets are developed, costs and expenditures for the Modernization Program and its projects are forecasted and included within the agency budget request, including a request for authorization to use Modernization Funds. Key activities and dates for budget development, presentations, and approvals for the state's biennial budget are shown below, along with background on the Modernization Program budget requests that have been made during each biennium.

State budget process in even-numbered years:

- DAS CFO holds a budget kickoff meeting, generally in March, to provide guidance on the framework for budget development
- Agency revenue estimates and methodology are due in March
- Permanent (base) positions are frozen for budget development in April
- Agency Current Service Levels (CSL) are established by May 31
- Agency Requested Budget (ARB), including any proposed policy packages for the upcoming biennium, is due August 1
- Governor's Recommended Budget (GRB) is released December 1

State budget process in odd-numbered years:

- Legislatively Adopted Budget (LAB) is released in July
- Program section budget projections are due by August 30
- Executive Team approves final Section Operating Budgets by September 30
- Agency budget presentation to Legislature completed in January for February short session

Modernization Budget Background

In the 2015-17 biennium, the agency requested and received budget authority of $3.04 million for modernization, including ten permanent positions (2.62 FTE) in Policy Package 101, initiating a multi-biennium modernization effort to evaluate, improve, and replace core business processes and technology systems. The agency expended $1.24 million of the Modernization Funds during the 2015-17 biennium.

In the 2017-19 biennium, the agency requested and received budget authority of $4.68 million for modernization, including eighteen permanent positions (13.95 FTE) in Policy Package 101 to continue planning, complete a feasibility study, and initiate the Modernization Program. The agency expended $2.01 million of the Modernization Funds and $1.5 million in Other Fund (SEDAF and P&I) during the 2017-19 biennium.

In the 2019-21 biennium, the agency requested and received approval of a $22.05 million for the Modernization Program, including 37 permanent positions (28.63 FTE) in Policy Package 101 to complete planning and to initiate the Unemployment Insurance Modernization Project.

Table 3 – Modernization Anticipated Budget

Biennium	Description	Total Limitation Requested	Actual* + Projected** Expenditures	Unused Limitation	Positions	FTE
2015-17	Base budget	$ 986,633	$ 597,255	$ (389,378)	0	0
	Policy Package 101	$ 3,046,026	$ 643,563	$ (2,402,463)	4	1.17
	Total	**$ 4,032,659**	**$ 1,240,818**	**$ (2,791,841)**	**4**	**4**
2017-19	Base budget	$ 688,847	$ 406,601	$ (282,246)	0	0
	Policy Package 101	$ 4,682,314	$ 3,159,479	$ (1,522,835)	18	13.95
	Total	**$ 5,371,161**	**$ 3,566,080**	**$ (1,805,081)**	**18**	**13.95**
2019-21	Base budget	$ 8,359,984	$ 8,359,984	$ -	18	18
	Policy Package 101	$ 13,699,764	$ 13,699,764	$ -	37	28.63
	Total	**$ 22,059,748**	**$ 22,059,748**	**$ -**	**55**	**46.63**
2021-23	Base budget	$ TBD	$ TBD	$	TBD	TBD
	Policy Package 101	$ TBD	$ TBD	$	TBD	TBD
	Total	**$ TBD**	**$ TBD**	**$**	**TBD**	**TBD**
2023-25	Base budget	$ TBD	$ TBD	$	TBD	TBD
	Policy Package 101	$ TBD	$ TBD	$	TBD	TBD
	Total	**$ TBD**	**$ TBD**	**$**	**TBD**	**TBD**
	Cumulative Base Budget	$ 10,035,464	$ 9,363,840	$ (671,624)	18	18
	Cumulative Policy Packages	**$ 21,428,104**	**$ 17,502,806**	**$ (3,925,298)**	**59**	**43.75**
	Total through 2015-25	**$ 31,463,568**	**$ 26,866,646**	**$ (4,596,922)**	**77**	**61.75**

*Actual as of 12/31/2018
**Projected as of 2/4/2019

Budget Tracking

The Modernization Program budget is comprised of three primary categories that align with the state's budget details.

- **Personal Services** – Employee total compensation including wages, benefits, temporary staff, pay differentials, and other personnel costs.
- **Services and Supplies (S&S)** – Non-personnel expenditures for agency operation and maintenance. Examples include office supplies, professional service contracts, rent, and State Government Service Charges.
- **Capital Outlay**– Expenditures for items not consumed in routine agency operations. These expenditures generally have a useful life of more than one year and an initial unit cost of $5,000 or more. The agency follows the Oregon Accounting Manual guidelines when classifying expenditures as capital outlay.

Further, charges for Modernization Program activities are broken down by specific charge codes. As the Modernization Program and its projects move through different phases and related activities, and specific projects are established, unique charge codes are established to track time and expenditures. Guidelines regarding modernization fund use and charge coding are updated periodically with input from agency executive team to accurately reflect how funds should be allocated, and are described in the Modernization Funding Framework located here \\Wpoedfill04\014\Shared\00 Program Management\Budget\.

- **Section Code** – Section codes are used to track expenditures by program and sub-units within programs. For example, section 014 is the Modernization Program and the Modernization Sponsor is responsible for managing these expenditures and includes personnel reporting up through or to the Modernization Sponsor and all vendor costs for modernization.
- **Agency Object** – Agency objects are used to organize costs into various expenditure categories such as salaries, benefits, rent, maintenance, property taxes, etc.
- **Activity Code** – These codes are used to track time spent on different activities. Various activity codes will be used for tracking time spent on different program or project activities.
- **Project Code** – These codes are used to track the grant, project or funding related to an expenditure. The codes will be used for tracking expenditures for the Modernization Program and its projects.

Expenditures for the Modernization Program and project teams and vendor expenses will be charged to the Modernization SCR (47100-010-90-00-00000) and Section 14. Other division project teams and support activities, such as training, testing, subject matter experts, and activities that are part-time in nature, will be charged to the Unemployment Insurance SCR (47100-010-10-00-00000) if for the UI project or the Workforce Operations SCR (47100-010-20-00-00000) if for the Workforce Operations project.

Support activity expenditures remain in the employee's section and a separate time code is used to facilitate internal reporting to track support activities. Committee participation is charged to each individual's section and regularly used timecodes. If circumstances change or decisions are made by the Agency CFO and agency executive team to utilize different cost codes, this plan and the Modernization Funding Framework will be updated as needed to reflect those changes.

Table 4 – Modernization Charge Codes

Modernization Team Assignment	Active Codes as of 12-1-2018					
	Section	Project Code	Activity Code	Time Codes	PCA	Grant
Program Team	14	785	650	785650	65084	407850
UI Project Team	14	784	650	784650	65081	107840
WO Project Team	14	783	650	783650	65084	407830
Support Staff (employees not reporting to Modernization Director, section 14)						
Testers, Trainers, Instructors, SME's (not full time on Modernization)						
UI Project	home section	787	658	787658	65821	107870
WO Project	home section	786	658	786658	65824	407860
Research Support Staff supporting UI or WO project						
UI Project	home section	787	658	787658	65821	107870
WO Project	home section	786	658	786658	65824	407860
Shared Services Staff supporting UI or WO project						
UI Project	home section	787	658	787658	65821	107870
WO Project	home section	786	658	786658	65824	407860
Steering Committee and other advisory committees						
Program Management	home section	Use same time code as "regular" workload				
Vendor Charges						
Progam Team	14	795	650	795650	65071	107940
UI Project	14	794	650	794650	65071	107940
WO Project	14	793	650	793650	65074	407930

Charge codes shown are effective as of July 23, 2019

Budget Monitoring and Reporting

The Modernization Budget Analyst monitors and tracks expenditures, payments, and budget activity. Expenditures will be approved according to the agency's signature authorization policy. For the Modernization Program, the Modernization Sponsor, Deputy Modernization Director, and other project-level or agency managers approve expenditures.

Expenditures are captured and recorded at the time of payment. Financial information will be conveyed through budget and expenditure reports. Following the end of each monthly closing, internal and external reports are prepared and reviewed with the modernization team, the Modernization Executive Steering Committee, and agency management to ensure that expenses charged during the month are in line with the budgeted activities.

The Agency CFO and budget staff meet regularly with the Modernization Sponsor and members of the modernization team to review and identify any discrepancies. The Modernization Budget Analyst researches and requests corrections prior to the closing of the following month.

Statewide systems used to extract expense information include:

- Personal Services – Oregon Statewide Payroll Application (OSPA)
- Services and Supplies – Statewide Financial Management Application (SFMA)
- Capital Outlay – SFMA

Modernization project budgets will be tracked and variances will be reviewed and reported to the Modernization Executive Steering Committee and oversight entities. While it is anticipated that minor budget adjustments or re-projections will occur over the life of a project, any time a project budget is rebaselined, all oversight entities will be notified. If budget baselines change by +/- 10%, or there is a need to utilize contingency funds, formal approval through the program's change control process is necessary and OSCIO must review for re-endorsement. See the program's change control plan for further details on the change control process.

Table 5 – Budget Variance Health Ratings

Budget Variance	Budget Health
Less than 5%	Green
5% - 15%	Yellow
Above 15%	Red

Below is a breakdown of the program's budget and expenditure reports and the corresponding purpose and intended audience.

Note that the reports may be adjusted as further planning is completed and formats of project-level budget reports are developed. This section is noted to be reviewed and adjusted during the next plan refresh.

Modernization Executive Steering Committee Budget Report

This report illustrates the estimated budget for the Modernization Program, along with actual expenditures that are recorded, and the remaining budget biennium to date. This report identifies variances, highlights current month trends, and provides the budget status biennium–to-date and life–to-date. Information from this report is extracted and included within the program's monthly status report. See Appendix A for an example of this report.

- **Frequency**: Monthly, by the end of the following month
- **Owner**: Modernization Budget Analyst
- **Distribution**: Modernization Executive Steering Committee, modernization team, DAS CFO, LFO, and OSCIO. This report is also uploaded into the state's project and portfolio management system.

Project Budget/Schedule Variance Report

This report is required by the OSCIO for all state stage gate projects during the implementation phase (stage 4). The budget portion of this report illustrates planned and actual project expenditures and notes any variance from baseline to monitor whether actions should be taken to bring the project back within acceptable budget ranges. This report uses the OSCIO designated format, including variance threshold ranges. See Appendix B for an example of this report.

- **Frequency**: Quarterly, by the end of the following month
- **Owner**: Modernization Budget Analyst
- **Distribution**: Modernization Executive Steering Committee, modernization team, DAS CFO, LFO, and OSCIO. This report is also uploaded into the state's project and portfolio management system.

Project Budget Management and Variance Report

This report tracks all project expenditures and compares actuals to forecasted expenditures. See Appendix C for an example of this report.

- **Frequency**: Monthly, during the third full week after the end of the month.
- **Owner**: Modernization Budget Analyst
- **Distribution**: Modernization Director, Deputy Modernization Director, and Modernization Program Manager

Standard agency budget reports produced by the agency's budget team are also utilized by the Modernization Director, Modernization Budget Analyst, and members of the modernization team to track and monitor expenses.

Budget Communication

The program's communication and outreach plan describes the communications activities and methods of sharing information about project processes, events, documents, and milestones. The communications registry includes the regular communications for program and project status, including budget reporting.

Frequent, open communication regarding the program's financial data is necessary to keep participants, agency stakeholders, and oversight entities informed, foster open dialogue around budget matters, and ensure that the program proactively manages its financial information. In general, budget and financial reports are presented by the Modernization Budget Analyst and reviewed with the Modernization Director and Modernization Program Manager in coordination with the Agency CFO and Agency Budget Manager.

The Modernization Budget Analyst will work with the Agency CFO and Agency Budget Manager to communicate current budget matters, operational updates, presentation needs, and budget changes. Further, the Modernization Budget Analyst will coordinate with the Agency CFO and Agency Budget Manager during the biennial budget development process and throughout the biennium to ensure Modernization Program and its projects' spending, limitation, and fund appropriation are adequate.

Communication of possible budget-related requests to the Legislature, DAS CFO, LFO, and OSCIO will be coordinated with the Modernization Sponsor and the Agency CFO and Agency Budget Manager in collaboration with the Director's Office of the Employment Department. Further, the agency will present testimony or provide budget reports or materials as specified in the statewide budget process and as requested by the Oregon Legislature.

Budget Meetings

Modernization Budget Meeting (Monthly)

Attendees: Modernization Director, Deputy Modernization Director, Modernization Program Manager, Modernization Budget Analyst, Agency Budget Manager, Agency CFO

The purpose of these monthly meetings is to:

- Review monthly budget reports
- Review variances
- Review program budget risks
- Discuss program and project status and monthly budget narrative
- Identify upcoming needs or changes that may have a budget impact

Modernization Executive Steering Committee Meeting (Monthly)

Attendees: Modernization Executive Steering Committee (see the Modernization Executive Steering Committee Charter for members).

Budget status is included as a standing agenda item at the steering committee meeting. The Agency Budget Manager or the Modernization Budget Analyst presents the Modernization Executive Steering Committee budget report and reviews any variances with the committee. The OSCIO Senior IT Portfolio Manager assigned to the Employment Department attends these meetings.

Document Maintenance

This document is maintained by the modernization team, specifically the Modernization Budget Analyst, and will be reviewed semi-annually to determine whether revisions are necessary. Periodic process reviews assess the effectiveness of program plans and processes. Any identified changes or improvements are incorporated in program processes and reflected within revisions to these program plans. All program plans are stored within the program's file share located here: \\WPOEDFILL04\014\Shared\00 Program Management\Program Plans\

Version	Date	Author	Change Description
V1.0	12/2018	Jennifer Hannan, Modernization Program Manager Stacy Bloomer, Budget Analyst Julie Boston, Agency Budget Manager Mike Smith, Agency Chief Financial Officer	Initial version of the document

Version	Date	Author	Change Description
V2.0	07/2019	Julie Fetsch, Modernization Budget Analyst Jennifer Hannan, Modernization Program Manager	Added document relationship section, made adjustments throughout to address editorial changes and corrections to accurately reflect current process, refreshed all appendices to reflect current templates.

Approving Authorities

Ethan Benatan

Ethan Benatan (Sep 9, 2019)

Ethan Benatan, Modernization Sponsor — Date
Modernization Director

Jennifer Hannan

Jennifer Hannan (Sep 9, 2019)

Jennifer Hannan, Modernization Program Manager — Date

Julie Fetsch (Sep 9, 2019)

Julie Fetsch, Modernization Budget Analyst — Date

Mike Smith (Sep 9, 2019)

Mike Smith, Agency Chief Financial Officer — Date

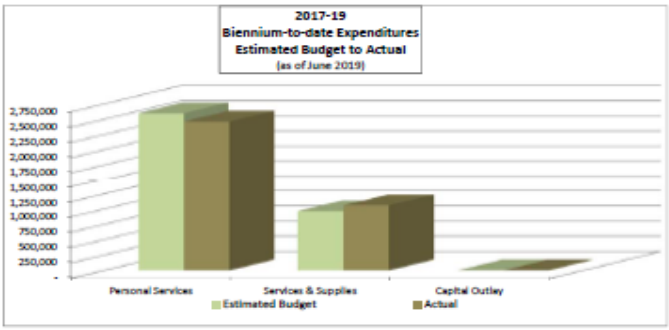
Appendix A – Modernization Executive Steering Committee Budget Report

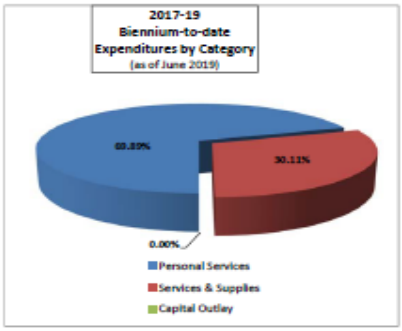
EMPLOYMENT DEPARTMENT MODERNIZATION PROGRAM
Steering Committee Budget Report
as of 06/30/2019

	2017-19 LAB			2017-19 Estimated Budget (re-projected in January 2019)			2017-19 Difference (LAB to Estimated)			
EXPENDITURE CATEGORY	Policy Package	Base	Total Budget	Policy Package	Base	Total Budget	LAB	Estimated	Difference from LAB	
Personal Services	$ 2,467,700	$ 604,847	$ 3,072,547	$ 2,321,206	$ 277,991	$ 2,599,197	$ 3,072,547	$ 2,599,197	$ (473,350)	-15%
S&S	$ 2,214,614	$ 84,000	$ 2,298,614	$ 838,273	$ 128,610	$ 966,883	$ 2,298,614	$ 966,883	$ (1,331,731)	-58%
Capital Outlay	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
Total Modernization Program	**$ 4,682,314**	**$ 688,847**	**$ 5,371,161**	**$ 3,159,479**	**$ 406,601**	**$ 3,566,080**	**$ 5,371,161**	**$ 3,566,080**	**$ (1,805,081)**	**-34%**

	2017-19 Biennium-to-Date Expenditures					Project Life-to-Date
EXPENDITURE CATEGORY	Estimated Budget	Actuals	$ Variance Over/(Under)	% Variance	Remaining Budget	Actual
Personal Services	$ 2,599,197	$ 2,464,113	$ (135,085)	-5%	$ 135,084	$ 3,108,801
S&S	$ 966,883	$ 1,061,646	$ 94,763	10%	$ (94,763)	$ 1,657,775
Capital Outlay	$ -	$ -	$ -		$ -	$ -
Total Modernization Program	**$ 3,566,080**	**$ 3,525,758**	**$ (40,322)**	**-1%**	**$ 40,322**	**$ 4,766,576**

Comments:
The 17-19 estimated budget for the Modernization Program currently reflects a surplus of $40K as of June 2019. Because this is the final month of the biennium, there will be additional expenditures applied to the program before the accounting period for the 17-19 biennium closes. In addition to agency cost allocations, we anticipate processing a $17K invoice from the IQMS vendor, CSG Government Solutions, during this final accounting period.





EMPLOYMENT DEPARTMENT MODERNIZATION PROGRAM
Steering Committee Budget Report
as of 06/30/2019

	Biennium-to-Date Expenditures				Project Life-to-Date
EXPENDITURE CATEGORY	Actual Spent 2015-17	Actual Spent 2017-19	Remaining Budget	Total Estimate 2017-19	Actual Expenditures
Personal Services	$ 644,688	$ 2,464,113	$ 135,084	$ 2,599,197	$ 3,108,801
S&S	$ 596,129	$ 1,061,646	$ (94,763)	$ 966,883	$ 1,657,775
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Modernization Program	**$ 1,240,818**	**$ 3,525,758**	**$ 40,322**	**$ 3,566,080**	**$ 4,766,576**

	Funding by Biennium			Project Life-to-Date
FUND TYPE	2015-17	2017-19	2019-21	
Others Funds - SEDAF	$ -	$ 1,390,867	$ -	$ 1,390,867
Other Funds - P&I	$ -	$ 110,468	$ -	$ 110,468
Other Funds - Fraud Control	$ -	$ -	$ -	$ -
UI Modernization Funds	$ 1,240,818	$ 2,018,661	$ -	$ 3,259,478
Total	**$ 1,240,818**	**$ 3,519,995**	**$ -**	**$ 4,760,813**

Unemployment Insurance (UI) Modernization Fund Balance	
Balance as of June 30, 2019	**Fund Balance**
Received 6/8/09 related to Alternate Base Yr Benefits	$ 28,524,880
Received 7/20/09 related to Separation for family reasons & additional training benefits	$ 57,049,761
Total Received	**$ 85,574,641**
Unemployment Insurance benefit compensation paid	$ 616,957
Modernization Program expenditures	$ 3,259,478
Other expenditures paid	$ -
Modernization Funds remaining (in UI Trust Fund)	**$ 81,698,206**
Remaining 2017-19 Budgeted Modernization Fund Expenditures	$ -
Estimated Modernization Fund balance at end of 2017-19 biennium	**$ 81,698,206**

Appendix B – Project Budget/Schedule Variance Report

Budget and Schedule Variance

Employment Department - Modernization Program

		Budget Variance									
		Current Budget Variance				Projected Budget Variance at Completion					
Project	Report as of Date	Actual Expenditures	Planned Expenditures	Variance Amount	Variance Percentage	Date Baseline Occurred	Baseline Budget	Estimate At Complete	Variance Amount	Variance Percentage	Comments
Project A				$ -	#DIV/0!				$ -	#DIV/0!	
Project B				$ -	#DIV/0!				$ -	#DIV/0!	
Project C				$ -	#DIV/0!				$ -	#DIV/0!	
Project D				$ -	#DIV/0!				$ -	#DIV/0!	

Budget Variance Key	
	At or under Original or Re-baselined Cost Estimate
	Within 0-15% of Original or Re-baselined Cost Estimate
	More than 15% of Original or Re-baselined Cost Estimate

		Schedule Variance									
		Current Schedule Variance				Projected Schedule Variance at Completion					
Project	Project Start Date	Actual Date	Earned Date	Variance Amount (Days)	Variance Percentage	Date Baseline Occurred	Baseline End Date	Projected End Date	Variance Amount (Days)	Variance Percentage	Comments
Project A				0	#DIV/0!				0	#DIV/0!	
Project B				0	#DIV/0!				0	#DIV/0!	
Project C				0	#DIV/0!				0	#DIV/0!	
Project D				0	#DIV/0!				0	#DIV/0!	

Schedule Variance Key	
	At or under Original or rebaselined schedule
	0-15% of Original or rebaselined schedule
	More than 15% of Actual or Baseline Date

Appendix C – Project Budget Management and Variance Report

Note: As of August 2019, this report is still being drafted and is expected to begin use before the end of the year 2019.

INTERNAL USE ONLY

MODERNIZATION PROGRAM
2019-21 BIENNIUM MONTHLY BUDGET REPORT
Through July 2019

		FY 15-17	FY 17-19	FY 2019-21											FY 21-23	FY 23-25	CUMULATIVE PROJECT TO CONCLUSION	
				19-21 Program Budget			19-21 Spend Plan & Expenditures				19-21 Budget Variance							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Modernization Program SCR 47100-010-090-10	**Total Actual Expenditures FY 15-17**	**Total Actual Expenditures FY 17-19**	**Operating Budget Projections at LAB FY 19-21**	**Working Budget as of July 2019**	**Variance Operating Budget vs Spend Plan**	**Spend Plan as of July 2019**	**Actual Expenditures thru 7/31/19**	**Forecasted Expenditure Balance**	**Total Estimated Expenditures FY 19-21**	**Variance from Operating Budget ($)**	**Variance from Operating Budget (%)**	**Variance from July 2019 Spend Plan ($)**	**Variance from July 2019 Spend Plan (%)**	**Estimated Expenses FY 21-23**	**Estimated Expenses FY 23-25**	**Project Plan Totals through Completion**	**Initial Project Plan Totals**
1	**Modernization Program Staff Labor**																	
2	Program Staff Labor					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!			$ -	$ -
3	**Program Staff Labor Cost Totals:**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
4																		
5	**Modernization Program Services & Supplies**																	
6	General S&S					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
7	Space Rental/Facilities					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
8	IT Hardware					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
9	Contract Resources					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
10	IQMS (QA) Vendor - CSG					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
11	Solutions Vendor					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
12	OCM Vendor					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	
16	**Program Services & Supplies Totals:**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
17																		
18	***MODERNIZATION PROGRAM TOTALS:***	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
19	***Position Totals:***														-	-	-	-
20																		
	Agency Project Support All Other SCR's	**Total Actual Expenditures FY 15-17**	**Total Actual Expenditures FY 17-19**	**Operating Budget at LAB FY 19-21**	**Spend Plan as of July 2019 FY 19-21**	***Variance Operating Budget vs Spend Plan FY 19-21***	**Spend Plan as of July 2019 FY 19-21**	**Actual Expenditures thru 7/31/19 FY 19-21**	**Forecasted Expenditures Balance FY 19-21**	**Total Estimated Expenditures FY 19-21**	**Variance from Operating Budget ($)**	**Variance from Operating Budget (%)**	**Variance from Scheduled LAB ($)**	**Variance from Scheduled LAB (%)**	**Estimated Expenses FY 21-23**	**Estimated Expenses FY 23-25**	**Project Plan Totals through Completion**	**Initial Project Plan Totals**
21	**Agency Project Support Costs:**																	
22	Agency Staff Labor Costs:					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!			$ -	$ -
23	Agency General S&S					$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!			$ -	$ -
26	***AGENCY PROJECT SUPPORT TOTALS:***	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -
27																		
28	***TOTAL AGENCY INVESTMENT:***	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -	$ -

Variance Key
At or under comparison point
Less than 5% above comparison point
5% or more above comparison point

Modernization Budget Management Plan V2.0

Final Audit Report 2019-09-10

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