State of Oregon
Employment Department
Paid Family and Medical Leave Insurance

Program Leadership	Program Overview
Executive Sponsor: David Gerstenfeld, Acting Agency Director **Program Sponsor**: Gerhard Taeubel, Acting PFMLI Director **Program Manager**: Phoebe Colman	The PFMLI Implementation Program will deliver the services set forth in ORS chapter 657B. This entirely new statewide program requires the creation of policies and rules, operational processes and infrastructure, outreach and education efforts, technology systems, and the program management and governance structures needed to support the implementation. Technology and business processes to support PFMLI contributions will be delivered through the agency's Modernization Program.

Program Headlines

- The UI Modernization Project officially kicked off in July! Definition meetings have started and the PFMLI team is working closely with the Modernization team and FAST Enterprises to configure the new technology that will be used to administer both PFMLI contributions and UI tax programs.
- The PFMLI team continued to focus on readiness for the modernization project. Activities included drafting rules and policies that will inform business processes and system configuration, orienting the PFLMI team to their role in the project, and refining internal processes to keep business process and system development aligned with ongoing policy development work.
- House Bill 3398, which adjusts the implementation dates for the PFMLI program, was signed into law by the Governor on July 27. Under the new statutory timeline, contributions will begin in January 2023, with benefits payable starting September 2023.

Program Status by Delivery Workstream

Status:	Education and Outreach		Policy, Legislation, and Rules		Operations		Program Management	
	Previous	**Current**	**Previous**	**Current**	**Previous**	**Current**	**Previous**	**Current**
Key:	On Target		In Mitigation		High Risk			

Summary: Program status is high risk for all active workstreams, reflecting the aggressive implementation timeline for such a large and complex initiative as well as pending decisions on the benefits technology implementation approach. Adjustments to the statutory timeline have been approved by the Legislature and signed by the Governor. When milestones have been re-baselined to reflect the timeline change, the program will be better positioned to move workstream statuses toward in mitigation or on target.

Highlights			
- Drafted stakeholder engagement plan - Met with DOJ and Brink to finalize structure of communications contract - Added outreach and engagement specialist to team	- Drafted rules and policy decisions needed to build technology system - Provided information and decisions regarding system requirements to UI Modernization project team - Continued developing legislative concepts for 2022 - Developed plans, tracking tools, and training for administrative rulemaking	- Validated scope, began work breakdown for accounting and cash management - Continued building hiring timeline for 2021-23 biennium - Drafted analysis for future organizational structure of UI Tax and PFMLI Contributions functions - Began developing PFMLI section budget for 2021-23	- Established tracking tools and internal processes to align system development with ongoing policy development work - Refined and enhanced risk and issue register - Began discussions with Modernization team to identify needs for telephone and imaging systems to support PFMLI contributions

	Education and Outreach	Policy, Legislation, and Rules	Operations	Program Management
Next Steps	• Finalize stakeholder engagement plan • Sign contract with Brink Communications and begin vendor onboarding • Create engagement and communication schedules to align with rulemaking and other implementation milestones	• Continue providing information and decisions regarding technology system requirements • Finish creating plans, tracking tools, and training for administrative rulemaking • Begin proposing 2022 legislative concepts to Advisory Committee	• Complete work breakdown and begin schedule for accounting and cash management • Validate hiring timeline and begin work breakdown and schedule for staffing and organizational development project • Finalize and deliver analysis for future organizational structure of UI Tax and PFMLI Contributions functions • Continue developing PFMLI section budget for 2021-23	• Update implementation milestones and release plan to align with new timeline • Refine internal processes to align system development and policy development work • Increase focus on risk assessment and quality planning activities • Continue discovery of PFMLI telephone and imaging system needs

Technology Report

The Modernization team participated in onboarding and kickoff activities for the UI Modernization Project. Definition sessions started with the Modernization team and subject matter experts from UI and PFMLI. These sessions will continue through November 2021.

PFMLI/UI detailed requirements were cross-walked and their validation was completed and the requirements have been loaded into the new software system tracking tool.

PFMLI staff participated in a series of orientation meetings with the Modernization team that included a mutual review of each organization's roles, membership, and business profiles, as well as technical overviews of IT systems.

The PFMLI team is working with Modernization and IT staff to better understand and refine PFMLI technology requirements and options around the phone system and scanning.

With the PFMLI Executive Steering Committee's affirmation of the agency Exec Team's decision to have PFMLI Benefits functionality implemented as part of the Modernization Program scope, the Modernization Program team has begun to conduct the needed impact analysis to determine whether the scope for PFMLI Benefits should be included in Modernization and, if so, whether it should be incorporated as additional scope for the existing UI Modernization Project. The plan is to bring the recommendation to the September meeting of the Modernization Executive Steering Committee.
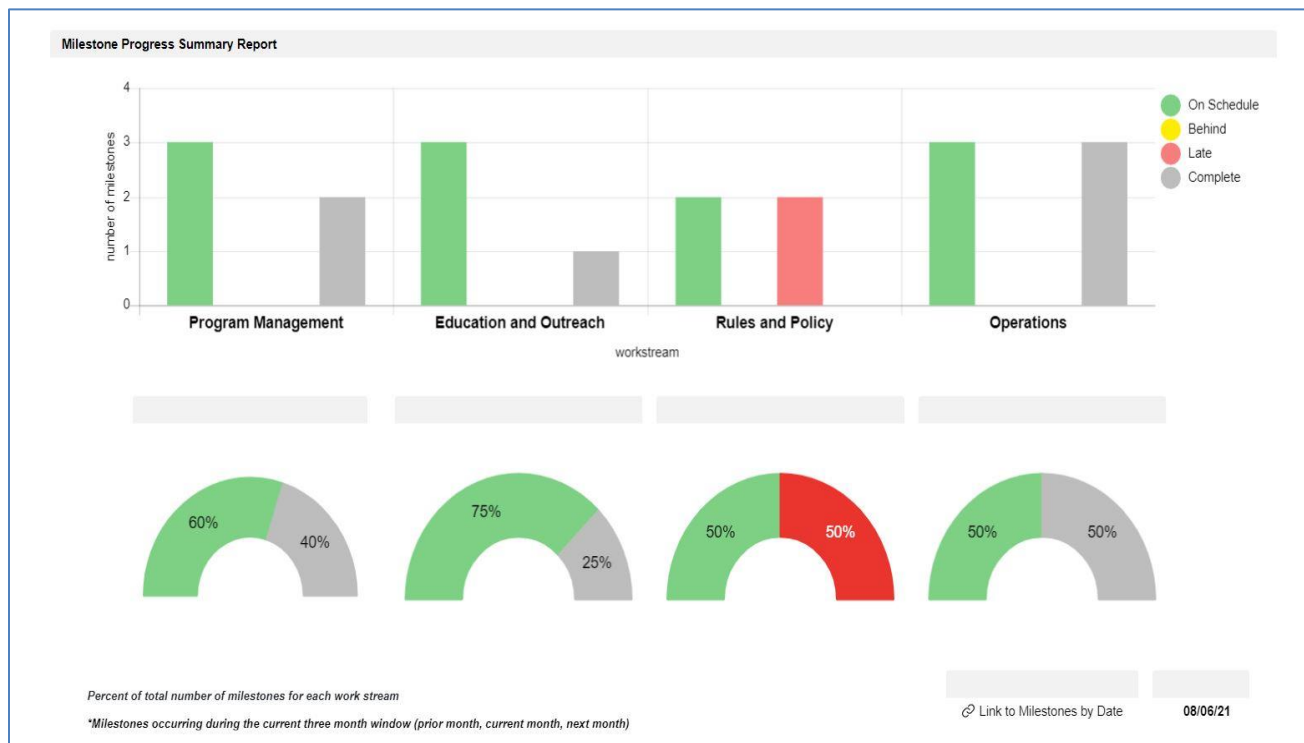
Schedule Report

The policy team is continuing to restructure work to align with top priorities for the program. Throughout July, the policy team presented draft administrative rules and policies for internal review, direction, and decision-making. Categories of topics included: *Appeals, Self-Employed processes, Grants processes, Equivalent Plans, and Penalties and Recovery.* PFMLI Leadership provided decisions and direction on materials presented. This work will continue into future months.

Development of tools to track, manage, and report on policy work continued and remained a high priority. The tracking methodology will provide improved visibility into the progress and process of administrative rulemaking in relation to the PFMLI implementation timeline, and will support more transparent status reporting for this body of work.

The "Milestones by Date" link in the graphic below links to real-time data, so information in the linked report may differ slightly from the graphic shown in this status report.
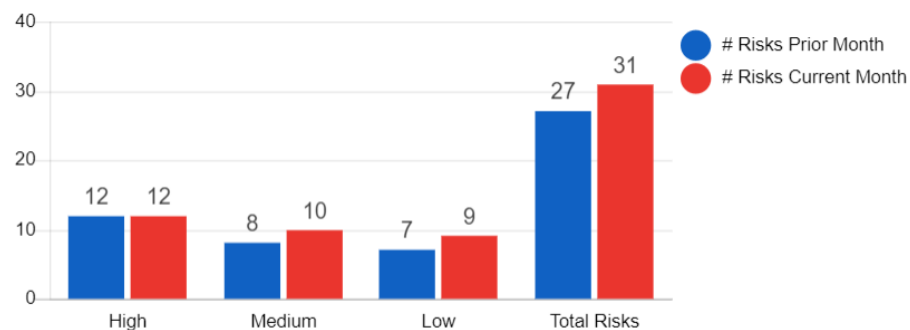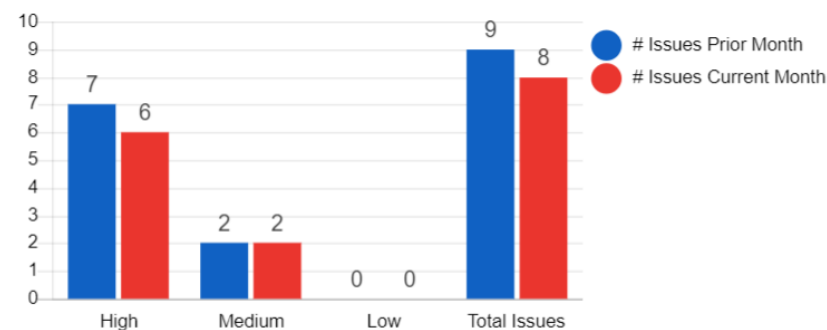
Milestone Progress by Workstream

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Risk and Issus Report

Risks: There are **31 total risks** being monitored at this time: **12 High Priority**, **10 Medium Priority**, and **9 Low Priority**.

Issues: There are **8 total issues** being monitored at this time: **6 High Priority** and **2 Medium Priority**.

Common themes and mitigations for top risks and issues:

Aggressive implementation timeline for PFMLI *(Issue #1034 and Risk # 1057)*. PFMLI Contributions technology infrastructure has been moved into scope for UI Modernization and is currently on track. Analysis and decision-making is in progress to move PFMLI Benefits technology infrastructure into scope for the Modernization Program. Additional response strategies related to building and monitoring program/project schedules are also in progress, and these efforts will incorporate updates to the implementation scope and timeline as they become known.

Potential for delays in hiring, recruitment, onboarding, or training of staff needed to operate the PFMLI division, resulting in insufficient resources *(Issue #1037, Risks # 1058, 1060, and 1008)*. PFMLI implementation team has reviewed positions requested in proposed budget and have initiated identifying any gaps in skillsets and ensure appropriateness of positions for work to be performed. PFMLI has received approvals from OED agency leadership to proceed working with HR. Team will continue organizational development planning to identify appropriate positions for implementation and administration of the program and work to develop further mitigation strategies to prevent delays in hiring, recruitment, onboarding, and training.

A detailed risk and issue report is prepared separately and a link distributed to the Risk and Issue Management Team (RIMT).

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Budget Report (as of June 2021)

General Fund (GF) spending for PFMLI in June was $3,133,947. Personal services spending was $408,631, slightly higher than projected at the start of the biennium. Services and Supplies was lower than project but increased by $240,000 from May. This is largely the result of four invoices from Deloitte, related to the Modernization program. The expenditures are the PFMLI portion of the completed milestones. Capital outlays for FAST licenses, as well as the SQL server installation are the remainder of the expenditures, with the licenses representing the largest source of these costs at $2.4 million. This is the largest single item PFMLI purchased in this biennium.

Otherwise, for the biennium, GF covered $7,608,891 of expenditures. Most of it was personal services, which made up about 80-90% of general fund expenditures until the last three months of the biennium when the capitalized expenditures associated with the PFMLI portion of the Modernization program occurred.

		2019-21 Biennium											
		Current Month				Biennium-to-Date				Projected End-of-Biennium			
	Legislatively Approved Budget	Budget June 2021	Expenditures June 2021	$ Variance (Under) / Over	% Variance	Biennium to date Approved Budget	Actual Expenditures thru June 2021	$ Variance (Under) / Over	% Variance	Remaining Projected Expenditures	Total Expenditures (Actual + Projections)	Projected $ Variance (Under) / Over	Projected % Variance (Under) / Over
Program													
Personal Services Total	$ 4,380,586	$ 359,727	$ 408,631	$ 48,904	14%	$ 5,397,814	$ 4,195,334	$ (1,202,480)	-22%	$ -	$ 4,195,334	$ (185,252)	-4%
Services & Supplies Total	$ 5,128,000	$ 412,858	$ 267,601	$ (145,258)	-35%	$ 4,110,772	$ 736,671	$ (3,374,102)	-82%	$ -	$ 736,671	$ (4,391,329)	-86%
Capital Outlays Total	$ -	$ -	$ 2,437,716	$ 2,437,716		$ -	$ 2,676,887	$ 2,676,887	0%	$ -	$ 2,676,887	$ 2,676,887	0%
	$ 9,787,440	$ 772,585	$ 3,113,947	$ 2,341,362	303%	$ 9,508,586	$ 7,608,891	$ (1,899,695)	-20%	$ -	$ 7,608,891	$ (1,899,695)	-19%
Budgeted Position Totals	33												

$ 15,688,586	Original Budget for 2019-21 biennium

Contributions	-

Fund Type	Expenditures by Biennium 2019-21	2021-23	Program Life to Date
General Fund	7,608,891	-	7,608,891
Other Funds Administration	-	-	-
Other Funds Benefits	-	-	-
Total Funds	7,608,891	-	7,608,891

GF Loan Repayment		
2019-21	GF Expenditures	7,608,891
2021-23	GF Expenditures	-
	Total	7,608,891
2021-23	GF Repayment	-

Report Distribution

David Gerstenfeld	Employment Department Executive Team	Tamara Brickman, CFO	Cecily Warren, EIS
Gerhard Taeubel	PFMLI Executive Steering Committee	Sean McSpaden, LFO	Jennifer Lechuga-Berg, EIS
PFMLI Leadership Team	PFMLI Advisory Committee	Michelle Deister, LFO	Travis Miller, EIS
PFMLI Implementation Team	PFMLI State Partners Team		

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