

Program Leadership	Program Overview
Executive Sponsor: David Gerstenfeld, Acting Agency Director Program Sponsor: Karen Madden Humelbaugh Program Manager: Vacant	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, and the program management and governance structures needed to support the implementation. Technology and business processes to support PFMLI will be delivered through the agency's Modernization Program .

Program Headlines
<ul style="list-style-type: none"> Juan Serratos has accepted the position as PFMLI Deputy Director, will begin January 3, 2022; recruitment is ongoing for additional positions including Outreach and Organizational Development Manager; Policy/Operations Manager; and Operations & Program Manager Completed Roll-out 1 definition sessions with the Modernization Project to define technology and system needs for PFMLI contributions Frances PFMLI Checkpoint completed between PFMLI and Modernization teams. Modernization leadership directed IT vendor to move forward with PFMLI contributions implementation as functionality and direction was verified

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 currently High Risk for Education and Outreach; while the communications contract and associated deliverables with Brink Communications are on target, the Education and Outreach Workstream is still at a High Risk status due to current staffing resources and current needs to establish a detailed action plan for the education and outreach to employers and employees following the stakeholder engagement that has occurred to date. Policy Legislation and Rules, Operations, and Program Management milestones are all on target schedule wise, but are maintaining the High Risk status reflecting the high degree of complexity and level of risks and issues to the implementation program for all workstreams. More detailed information can be found in the Risk and Issue report on page 4.

	Education and Outreach	Policy, Legislation, and Rules	Operations	Program Management
Highlights	<ul style="list-style-type: none"> • Communications plan and key messages finalized • Coordinated focused engagement sessions • Development and revisions of PFMLI website pages • Continued Tribal Government consultation • Brink Communications contract administration 	<ul style="list-style-type: none"> • Held second formal rulemaking hearings on Batch 1 rules • Analyzed and incorporated suggestions received on Batch 1 rules during the formal rulemaking process • Prepared and held RAC meetings for Batch 2 rules • Continued discussions on potential 2022 legislative concept • Begin development of potential 2023 legislative concepts 	<ul style="list-style-type: none"> • Continued providing information and decisions on technology system requirements • Continued work with UI and agency leadership to plan for hiring for the new combined Contributions Division • Recruited to fill PFMLI leadership team vacancies • Worked with Modernization and UI on review of combined contributions/tax letters 	<ul style="list-style-type: none"> • OCM sponsor training and education • Ongoing refinement and alignment of business process and customer experience maps • Reevaluation of rollout 2 business requirements • Initial success metrics drafted • Contract signed with equity vendor Subduction Consulting • PFMLI Director started equity coaching with Subduction Consulting • Internal investigation ongoing to address team's concerns • New leadership team working closely with staff to support them and address morale concerns
	Education and Outreach	Policy, Legislation, and Rules	Operations	Program Management
Next Steps	<ul style="list-style-type: none"> • Present PFMLI information to various organizations • Development of Q&A and FAQ documents • Provide PFMLI updates to agency educational documents and training materials • Public hearings & RAC meeting preparations • Ongoing PFMLI newsletter and website updates 	<ul style="list-style-type: none"> • Analyze and incorporate suggestions received on Batch 1 rules during the formal rulemaking process • Finalize Batch 1 rules with the Secretary of State • Analyze and incorporate suggestions received on Batch 2 rules during the RAC meetings • File proposed Batch 2 rules Secretary of State for the Oregon Bulletin • Continue development of potential 2023 legislative concepts • Prepare for 2022 legislative session 	<ul style="list-style-type: none"> • Continue work on draft letters for the technology system • Recruit to fill PFMLI team vacancies • Continued development of operational processes for contributions • Initial preparations for system testing and validation • Self-employed rules and process synergy work • Equivalent Plans rules and process synergy work • Letters and forms finalization 	<ul style="list-style-type: none"> • Risk and issue management process improvements • Success metrics review and evaluation • Update program charter, program plans, and workstream milestones to reflect current program state • Update program schedule and milestones documents • Update program reporting forms and processes • Update project management tools to improve accountability

Technology Report

On 12/17/2021, a demonstration of the PFMLI Base Configuration in Frances occurred to verify that the PFMLI contributions implementation was directionally correct. Technology vendor Fast was instructed to go ahead and continue with PFMLI implementation as all of their contractual benchmarks were met.

Technology and business processes to support PFMLI continue to be delivered through the agency's Modernization Program. Updates to modernization milestones can be found here: [Modernization Milestones](#).

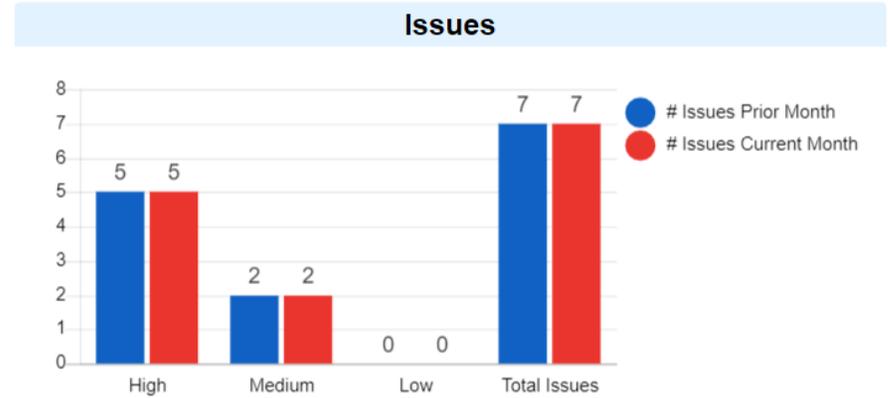
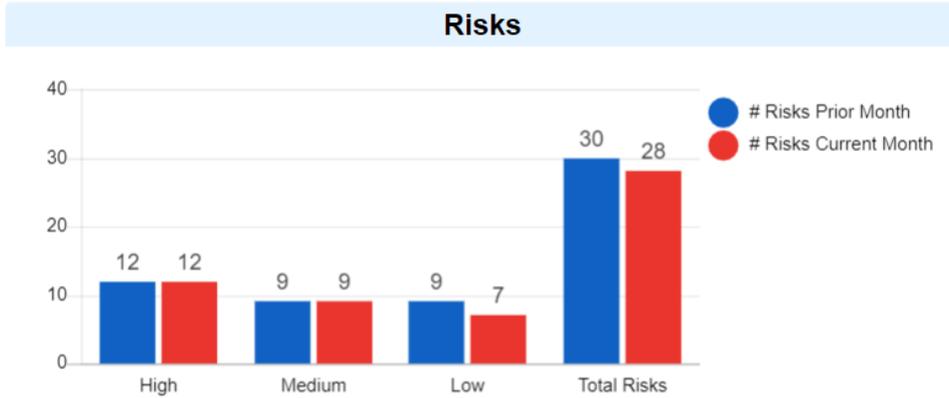
Schedule Report

Rules and policy work continues to remain on schedule. In formal rulemaking, the first batch of administrative rules comprised of Contributions, Self Employed, Small Employers and assistance grant, and our Outreach rule has been posted in the *Oregon Bulletin* and closed on December 20, 2021 at 5pm and permanent rules effective targeted for January 2022. The second batch of administrative rules comprised of definitions used in the wage rules and equivalent plans had two RAC meetings and is scheduled to be posted in the February *Oregon Bulletin* and become effective in April 2022.

The operations workstream is on schedule. Recruitment is ongoing to recruit and onboard staff for operational needs. The operational process development for the combined contributions unit within the Employment Department has begun and will continue through the fourth quarter of 2022.

Education and Outreach work is currently at risk of becoming behind schedule. The Brink Communications contract deliverables are on schedule, program resource adjustments are needed to insure timely and robust employer and employee engagement occur in conjunction with the completed outreach plan.

Risk and Issue Report



Risks: There are **28 total risks** being monitored at this time: **12 High Priority**, **9 Medium Priority**, and **7 Low Priority**.

Issues: There are **7 total issues** being monitored at this time: **5 High Priority** and **2 Medium Priority**.

Risk and Issue Management Team process improvement and evaluation of the PFMLI division risk and issue management process will continue through the end of January in collaboration with the PFMLI Director and leadership team as the PFMLI key leadership roles are filled. Evaluation and refinement of all risks and issue details and response plans will occur in January 2022.

The top PFMLI risks and issues to include risks relating to overall implementation success, PFMLI fund solvency, staffing resources, operational decision-making and change-management/program integration.

Budget Report (as of November 2021)

In November 2021, PFMLI as a program had \$558,738 of personal services expenditures and \$93,647 of services and supplies expenditures. Both of these totals are under the budgeted amount for the month (40% for personal services, and 63% for services and supplies). A couple of highlight from the monthly totals:

- Regular payroll for the PFMLI program was \$328,000 while cost allocation was \$28,000. There were also \$185,000 of October allocation expenditures from the joint Modernization/PFMLI allocation pool, \$15,000 of job rotation expenditures, and \$1,300 related to the Mass Transit Tax.
- Services and Supplies in November included \$28,500 for server specific expenditures, \$24,000 of cost allocation, \$10,000 of OR Project Management Certification, \$7,000 of October allocation expenditures from the joint Modernization/PFMLI allocation pool, \$5,000 of the renewal of the Smart Sheet program, and \$5,600 for September and October invoices related to the communications contract.

Thru November 2021, PFMLI has spent \$3,116,419, with most expenditures, \$2,638,185 (85%) related to Personal Services. PFMLI is under budget in both personal services and services and supplies. As long as PFMLI remains overall under budget it is possible to go over in one category and under in another. We are projected to be under for the biennium. With an estimated transition to Other Funds in May 2023, most of these expenditures will be General Fund. However there will be some Other Funds spending earlier (reimbursed by the GF), once OAH starts work on the PFMLI program.

November 2021

Program	Expenditures	2019-21 Biennium	2021-23 Biennium											2021-23 Biennium	2023-25 Biennium	Total Project Expenditures	
		Legislatively Approved Budget	Current Month				Biennium-to-Date				Projected End-of-Biennium			17	18	19	
			Budget November 2021	Expenditures November 2021	\$ Variance (Under) / Over	% Variance	Biennium to date Approved Budget	Actual Expenditures thru November 2021	\$ Variance (Under) / Over	% Variance	Remaining Projected Expenditures	Total Expenditures (Actual + Projections)	Projected \$ Variance (Under) / Over	Projected % Variance (Under) / Over	Actual Expenditures 2021-23	Actual Expenditures 2023-25	Actual Expenditures To-Date 2015-21
Personal Services	4,213,519	\$ 33,790,645	\$ 933,798	\$ 558,738	\$ (375,061)	-40%	\$ 4,533,614	\$ 2,638,185	\$ (1,895,429)	-42%	\$ 23,312,474	\$ 25,950,658	\$ (7,839,987)	-23%	\$ 2,638,185	\$ -	\$ 6,851,704
Services & Supplies	839,982	\$ 23,267,642	\$ 251,479	\$ 93,647	\$ (157,832)	-63%	\$ 688,269	\$ 478,234	\$ (210,035)	-31%	\$ 12,106,397	\$ 12,584,631	\$ (10,683,011)	-46%	\$ 478,234	\$ -	\$ 1,318,216
Capital Outlays	3,173,535	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ 6,979,500	\$ 6,979,500	\$ 6,979,500	0%	\$ -	\$ -	\$ 3,173,535
Budgeted Position Totals	\$ 8,227,036	\$ 57,058,287	\$ 1,185,277	\$ 652,384	\$ (532,893)	-45%	\$ 5,221,883	\$ 3,116,419	\$ (2,105,464)	-40%	\$ 42,398,370	\$ 45,514,789	\$ (11,543,498)	-20%	\$ 3,116,419	\$ -	\$ 11,343,455
		376															
		\$ 47,107,449	LAB Budget GF for 2021-23 biennium														
		\$ 9,950,839	LAB Budget OF for 2021-23 biennium														
		Expenditures by Biennium		Program Life to Date													
		Fund Type	2019-21	2021-23													
		General Fund	8,227,036	3,116,419	11,343,455												
		Other Funds Administration	-	-	-												
		Other Funds Benefits	-	-	-												
		Total Funds	8,227,036	3,116,419	11,343,455												
		Contributions															
		-															
		GF Loan Repayment															
		2019-21	GF Expenditures	8,227,036													
		2021-23	GF Expenditures	3,116,419													
		Total		11,343,455													
		2021-23	GF Repayment	-													

Report Distribution

David Gerstenfeld	Employment Department Executive Team	Tamara Brickman, CFO	Cecily Warren, EIS
Karen Madden Humelbaugh	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		