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## **Planning for Oregon's Economic Cycle**

### **205-Project Charter**



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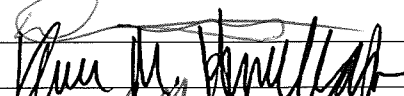




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Indicate the major revisions of the document. Add rows as necessary

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### Approval Signatures

By signing below, I agree that this document represents our best understanding of the Project Charter for this project. Future changes to this document must be made through the project's defined change control process and may require renegotiation of the costs, resources, and schedule commitments for this project.

Name	Role/Responsibility	Signature	Date
Graham Slater	Executive Sponsor		4/5/16
David Gerstenfeld	Business Sponsor		4-5-2016
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Nick Beleiciks	Core Project Team Chair		4-5-2016
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# 1 Project Overview

## 1.1 Project Summary Statement

Since the 1940s, a new national recession has begun every six years on average. Some national recessions were especially damaging to Oregon's economy, while others were relatively mild. Historically, the Oregon Employment Department (OED) has used a reactionary tactic to combat the effects of any given recession. As the ever-increasing number of unemployed are added into the Department's workflow an inevitable backlog occurs. This backlog triggers the hiring of more staff. While these staff are trained, the backlog continues to increase and service levels begin to decline.

During the Great Recession of 2007-2009, OED could have reacted more quickly to the sudden and severe effects. The Unemployment Insurance (UI) Division, for example, did not hit its high staffing mark until approximately May 2010, well into the recession and after the incoming workload has begun to decline. Although UI staff did their best to quickly and accurately work through the deluge of incoming work, wait time for filing claims were drastically higher with some customers waiting as long as three and a half hours to speak with UI staff.

This slow reaction to the effects of the Great Recession was also seen in the Workforce Operations (WO) Division of OED (previously named Business and Employment Services or B&ES). The lack of adjustment to OED's strategies left WO staff at WorkSource Oregon offices trying to find employment for a large volume of jobseekers when there were 12.9 unemployed individuals for every available job in the spring of 2009 compared to the spring of 2007 when there were 2.2 unemployed individuals for every available job.

Although OED cannot predict when the next recession will take place, or how severe it will be, we do know that there will be more recessions in our future and that there is a better approach to incorporating the changes resulting from the economic cycle into our daily workflow than our recessionary tactics of the past. We also know that how the public is best served by the Department is not necessarily the same during periods of economic downturn as it is during times of economic stability or growth and we need a more effective, logical, and proactive way to adjust OED operations to provide a better and more valued service to the public.

## 1.2 Project Goals

The first goal of this project will be to develop a Great Recession Lessons Learned report.

### **Description:**

The project team will be comprised of members from various sections of OED including UI Benefits, the UI Center, UI Tax, WO, the Office of Administrative Hearings (OAH), Research, Information Technology (IT), Human Resources (HR), Accounting, Budget and workforce partner Workforce Investment (WID).

The team will review and evaluate how each section and the Department as a whole dealt with the Great Recession and its aftermath. This work includes a review of all aspects of program administration and operations along with both legislative and partner relations.

This report will help the Department capitalize on the successes we achieved and learn from our mistakes in order to find ways to close the gap between when an economic downturn begins and when we are able to successfully react. This document will also help identify if legislative, policy, budgetary or other constraints caused barriers during the Great Recession and will explore what can be done to change these constraints if they are still present.

The second goal of this project will be to identify the indicators of changes to Oregon's economic cycle.

**Description:**

The project team will determine what indicators can be used to detect coming or current changes within Oregon's economy. The purpose will be to use these indicators to allow OED to recognize and react to the changes in Oregon's economy more quickly and effectively than during previous cycle changes.

This work will include research and detailed analysis of the collected data to determine what indicators were present in previous periods of economic downturn and upturn to see if a predictable pattern forms for Oregon.

The inclusive mentality of the project team will allow for a broader perspective on the problem than is currently shared. This approach is crucial as one section may see nothing that they would consider as an indicator while another might predict imminent economic changes.

The third project goal will be to develop the Economic Cycle Plan.

**Description:**

The development of the Economic Cycle Plan presents a significant shift for OED in the way that we process Oregon's economic cycle changes. This plan will allow the Department to be proactive instead of reactive in the way we incorporate the effects of the changing economic cycle into the way we do business.

The project team will look at ways OED can be flexible with the increase and subsequent decrease in workload for all agency areas including, UI, WO, Legislative and Public Affairs, IT, OAH, Employment Appeals Board (EAB), Facilities, HR, Research and Financial Services.

Not only will this plan provide a high level guide to help the Department prepare for the demands of the more aggressive workload that comes from a recession and the ability to more quickly recover after one, but it will also allow staff and management to head in the same shared positive direction, reducing staff confusion and frustration and building trust in leadership and dedication to OED's mission and core values.

Items to consider when developing the plan are:

- Creating recommendations to easily incorporate needed business process changes and new programs (e.g. benefit extensions) into the day-to-day work flow;
- A recommendation for how OED should evaluate our focus in order to adapt business procedures to provide better customer service in view of the economic changes without deviating from OED's mission and core values;
- A process for earmarking our current state so that after the downturn the agency will be able to quickly pick up where we left off. The purpose of this process will be to maintain the progress that we gained during the non-recessionary period so that OED does not need to start from square one and to ensure that process changes that were intended to be temporary can be shifted back to their prior state when conditions permit;
- Identify budgetary constraints and recommend possible funding opportunities to close the gap between when a need is identified and when federal funding becomes available;
- Recommendations for quickly staffing business areas to reflect the shift in workload, this could include cross training different sections of the Department, job rotations, temporary workstation relocation, hiring strategies etc.;
- A scorecard to be used after the next recession to evaluate the effectiveness of the plan; and
- Recommendations for how the Department can quickly and effectively return staffing and processes to regular service levels and program initiatives when the state is heading out of the lows of the downturn.

Staff participation will come from multiple levels and areas of OED so that institutional knowledge, unique viewpoints and individual talents can be capitalized on and a more comprehensive knowledge base can be utilized. In this way, the plan that is developed will be neutral, rational, thoughtful, and functional.

The project team will undertake in-depth research and be encouraged to think collaboratively and outside the box; not only thinking about the Department's challenges and past missteps but what does OED do that is indispensable and what should be repurposed to serve the public in a better way based on where Oregon is in the economic cycle.

The project team will be asked to think about the barriers and challenges that OED faces and how Human Resources, SEIU, OED leadership, partners, and/or others can help remove those barriers. They will look for answers to questions such as: Are there policies in the way?, Do we need legislative changes?, Do we need new technologies?, etc.

The Economic Cycle Plan will be a living document that will be modified and updated by the Economic Task Force so that it remains relevant over time. As OED makes changes to process, procedure, policy and/or structure, the plan will be modified to reflect the relevant changes.

The fourth project goal will be to assemble the Economic Task Force.

**Description:**

The project team and OED management will assemble the Economic Task Force from representatives of various sections of OED and other partners as determined by the project team and project sponsors.

The members of this group will monitor Oregon's economy paying specific attention to the Economic Cycle Indicators identified by the project team. This work will include the designation of the Recession Single Point of Contact (RSPOC).

This group will meet on a quarterly basis, unless otherwise directed, to discuss where Oregon's economic cycle is at, trends that they are seeing, any potential new economic indicators that emerge, any updates to the Economic Cycle Plan that are needed, and implementation of the Economic Cycle Plan when appropriate.

### 1.3 Project Scope

The following items are in scope for this project:

- The deliverables defined in section 1.4.
- Financial analysis and recommendation for potential funding streams and strategies to cover the implementation costs of the Economic Cycle Plan prior to receiving anticipated federal funding.
- Involvement and coordination between all sections of OED including UI (Tax and Benefits including the UI Center), WO, OAH, EAB, Research, IT, Legislative and Public Affairs, HR, Financial Services and workforce partner WID.
- Communication of the project status to interested parties as needed.
- Communication and sharing the finalized plan with OED staff and interested parties as needed.
- Working with the Department of Administrative Service Labor Relations Unit on any Letters of Agreement as needed.
- Drafting legislative concepts as needed.
- Monitoring identified Economic Cycle Indicators by the project team during the project life cycle.
- Informational outreach to other agencies or states as needed.
- Assembly of the Economic Task Force, including the RSPOC.

The following items are out of scope and specifically excluded from this project, although some of these activities may be undertaken by the agency outside of, and in addition to, the work of this project:

- Deliverables other than those defined in section 1.4, for example:
  - Development of a set of Economic Cycle Indicators for entities other than OED.
  - Development of section performance measures.
- Implementation of the Economic Cycle plan.
  - The Economic Cycle plan would be executed as needed by OED management, the Economic Cycle Task Force, and the RSPOC.
  - Ongoing monitoring of the identified Economic Cycle Indicators beyond the project lifecycle.



## 1.4 Deliverables

- Concept paper
- Core Team Charter
- Project Charter
- A Great Recession Lessons Learned report
- Economic Cycle Indicators and a methodology for monitoring the indicators
- The Economic Cycle Plan
- The Economic Task Force
- Project Close Out report

## 1.5 Anticipated Schedule

Activity	Duration in Months	Schedule
Great Recession Lessons Learned Report	10 Months	8/7/2015 – 5/31/2016
Economic Cycle Indicators	12 Months	8/7/2015 – 7/31/2016
Economic Cycle Plan	16 Months	8/7/2015 – 10/31/2016
Economic Task Force Created and Project Close Out	2 Months	10/31/2016 – 12/31/2016
<b>Project Duration</b>	<b>17 Months</b>	<b>8/7/2015 – 12/31/2016</b>

## 1.6 Project Success Criteria

The success of this project will be evaluated based on the following six factors:

1. Successful involvement and coordination between project stakeholders within OED and the project team.
2. The Great Recession Lessons Learned report is completed and includes contributions from all sections of the agency from a wide selection of different job classifications.
3. The indicators of changes to Oregon's economic cycle are identified and a methodology for monitoring these indicators is developed.
4. The Economic Cycle Plan is developed, finalized and shared.
5. The cross-sectional Economic Task Force is assembled, including the RSPOC.
6. The project is completed no later than December 2016.

## 1.7 Project Funding

Funding for this project will be derived from the existing budgets of the supporting sections. Participants will charge their time to their regular section maintenance charge code. During the course of this project supplemental funding sources will be explored for the project itself along with future ongoing Economic Task Force operations including leveraging state and federal funding sources if they become available.

## 2 Strategic Statements

### 2.1 Strategic Alignment

This project supports OED's 2014-2019 strategic plan's goals and guiding principles by:

- Having a commitment to open dialogue and transparency about the development process, the end results and the project as a whole. The Economic Cycle Plan that is created during the course of this project will be openly communicated and shared. *(Guiding Principle: Openness, trust and integrity)*
- Replicating success and learning from mistakes through a comprehensive analysis of OED's response to, actions during, and recovery from the Great Recession. The Economic Cycle Plan will be designed to be flexible and nimble allowing OED to respond quickly to any upcoming downturn in Oregon's economy. *(Guiding Principle: Quality with agility)*
- Assembling a project team with representatives from multiple areas of the Department. The Economic Cycle Plan will benefit from the expertise and insightful contribution of varied viewpoints and institutional knowledge. An emphasis will be placed not only on cohesive teamwork but also individual ownership and responsibility of the end result. *(Guiding Principle: Teamwork with responsibility)*
- Using the Economic Cycle Plan as a reference, the UI program will be able to more logically transition from regular workload levels to increased downturn workload levels and back again thus continuing to provide an effective UI system for workers, businesses and communities. *(Five Year Goal 1: Provide an effective unemployment insurance system for workers, businesses and communities)*
- The labor market and other economic data that will be collected and analyzed as part of this project will allow the project team and stakeholders to make informed decisions about the recommendations within the Economic Cycle Plan. *(Five Year Goal 4: Collect labor market data and provide analysis that informs the decisions of the workforce system in general, as well as the decisions of the Oregon Employment Department, local businesses, educators, job seekers and families)*

### 2.2 Strategic Impacts

- Staff from all sections of the Oregon Employment Department including:
  - Unemployment Insurance: UI Center, Benefits and Tax sections
  - Workforce Operations
  - Workforce and Economic Research
  - Information Technology Systems
  - The Office of Human Resources
  - Facilities
  - Financial Services

- Legislative and Public Affairs
- The Office of Administrative Hearings
- The Employment Appeals Board
- Oregon Employment Department customers including:
  - Oregon businesses
  - Jobseekers, including UI claimants
- The Office of the Governor including:
  - Oregon Workforce Investment Board (OWIB)
  - Oregon's Local Workforce Investment Boards (LWIBs)
- Other Workforce Partners including:
  - Workforce Investment Division (WID)
  - Higher Education Coordinating Commission (HECC)
  - The Department of Human Services (DHS)

## 3 Project Risks and Constraints

### 3.1 Project Constraints

- The initial review of what is needed to put together the Economic Cycle Plan will keep in mind federal statutes and regulations, Oregon Revised Statutes, Oregon Administrative Rules, the applicable collective bargaining agreements, the Department of Administrative Services Labor Relations Unit, the State of Oregon Chief Human Resources Office policies, the 2014-2019 Oregon Employment Department Strategic Plan, and the 2012-2022 Oregon Workforce Investment Board Strategic Plan. The natural course of this project work may determine that modifications to these constraints need to be explored.

### 3.2 Project Risks

- The Oregon economy is several years into the recovery period from the Great Recession. This project could be cut short if we enter a period of economic downturn and resources need to shift their focus from this project to other OED priorities.
  - *Mitigation:* Detailed record keeping and transparency of the process will help to document the progress that was made and permit the work to be continued when resources become available.
- Due to the specific nature of the next downturn, the Economic Cycle Plan will not be able to be effectively implemented due to unanticipated economic parameters.
  - *Mitigation:* Create a plan that is agile enough that the implementation could be easily adapted to almost all situations.
- Insufficient understanding of OED's processes and procedures may lead to an inferior plan.
  - *Mitigation:* Select a project team that includes personnel from the affected program sections UI, WO, OAH, HR, Research, IT, Financial Services, and workforce partner WID to make sure that all requirements are identified.
- The analysis of the available data does not yield a consistent set of economic indicators or the identified indicators cannot be regularly tracked and monitored.
  - *Mitigation:* Continue to monitor current indicators and carefully document economic parameters prior to and upon onset of the next economic downturn for future use. If indicators cannot be regularly tracked, work with the project sponsors to identify opportunities to update existing tracking tools.
- It is imperative that the selected project team has a broad range of institutional knowledge and subject matter expertise. Project team members with this skill set may also be tasked with other high priority projects, dividing their attention.
  - *Mitigation:* Work with OED leadership and the Project Management Office to ensure that staff are not over-allocated. If staff cannot be identified for the other

projects, the timeline for this project may need to be extended to accommodate the other work.

- Project failure due to significant scope creep.
  - *Mitigation:* Throughout the project lifecycle, identify scope early on and do not allow slippages. If a good idea comes out of a work session that is out of scope, earmark the item for a future work effort or pilot project development.
- Schedule overruns.
  - *Mitigation:* Frequent communication with stakeholders to identify schedule slippages as they occur to ensure that steps can be taken to bring the project back on track.

## 4 Project Participants and Roles

### 4.1 Project Participants

For a list of the core project team members and information regarding the functionality of the team, see the Core Project Team Charter. The Core Project Team Charter will be updated as team membership changes or as modifications to the Core Project Team purpose are made.

### 4.2 Project Participant Roles

<b>Core Project Team</b>			
<b>Name</b>	<b>Title</b>	<b>Area of Representation</b>	<b>Role</b>
Nick Beleiciks	State Employment Economist	Workforce and Economic Research	Team Chair
Mary Bernert	IT Policy and Operation Analyst	Information Technology Systems	Team Member
Julie Davidson	Senior Manager	Workforce Operations	Team Member
Teri Herndon	Senior Human Resource Analyst	The Office of Human Resources	Team Member
Dave Jones	UI Tax Field Operations and Hearings Manager	Unemployment Insurance - Tax	Team Member
Jeff Kidney	Accountant	OED Accounting	Team Member
Lindsi Leahy	UI Special Programs Center Manager	Project Manager	Team Facilitator
John Lohuis	Administrative Law Judge	Office of Administrative Hearings	Team Member
Michelle Scala	Fiscal Analyst	OED Budget	Team Member
Theo Skourtis	Claims Manager	Unemployment Insurance - Call Center	Team Member
Rachel Soto	Workforce Program Analyst	Workforce Investment	Team Member
Tim Valery	UI Technician	Unemployment Insurance - Benefits	Team Member

<b>Project Sponsors</b>			
<b>Name</b>	<b>Title</b>	<b>Area of Representation</b>	<b>Role</b>
David Gerstenfeld	Division Director	Unemployment Insurance	Business Sponsor
Karen Humelbaugh	Division Director	Workforce Investment	Business Sponsor
Jim Pfarrer	Division Director	Workforce Operations	Business Sponsor
Graham Slater	Division Director	Workforce and Economic Research	Executive Sponsor

